FINANCIAL TIMES
No. 25,572 Thursday October 7 1971 ** 6p

News Summary

GENERAL

Dublin alarm at security rumours

As senior Ministers met in London yesterday to prepare for to-day's talks with Ulster Premier Faulkner, Ministers in Dublin were understood to be alarmed at reports of possible proposals for re-establishing a Protestant "third force" for security in the province.

Opinion there indicated that if, at Mr. Faulkner's request, Whitehall were to sanction such a force, Anglo-Irish relations would be subjected to "impossible" strains.

In any event, Mr. Faulkner is certain to call for more agressive Army tactics against the IRA in to-day's talks at Downing Street.

In Ulster itself, 2,500 people attended a military-style funeral for a Provisional IRA "lieutenant" killed in a bomb blast at Lisburn last week-end. In Londonderry, the parents of a girl, 5, shot accidentally by a sentry on Sunday said they did not blame the Army "in any way."

John Graham reviews the situation, Page 23

Hirohito: Dutch leny tour is off

...oth the Dutch Government and ...apanese officials denied reports ...at Emperor Hirohito was considering cancelling his planned ...sit to Holland to-morrow because the Government there ...guarantee his safety. ... in London, the ... Empress Nagako ... of engagements as ... Guildhall banquet in ... Chicago S...

Err... found

... now ... at the ... elgian the final they had recovered their ... "The Love Letter," for which a £1.6m. ransom "to help Bengali refugees" was demanded after its theft from Brussels. They said a waiter from Zolder had been arrested.

Hitch saves jet

Technical hitch which stopped Jordanian Caravelle from leaving for Amman on time saved it from being blown up in mid-air, said Beirut airport authorities. Instead, a time bomb exploded under the aircraft's ...ng as it was being loaded. A man was arrested.

Farm murder

...man is to appear in court at Carmarthen to-day charged with the murder at Gwynffe, Carms., of London businessman Malcolm ...aysman. The man is not Frederick Joseph Sewell, whom police had said earlier they wished to interview in connection with the murder.

Gone with the wind

North Sea winds yesterday blew against the tide—and fears disappeared that London might be flooded. The predicted high tide of 25.4 feet—itself safe unless backed up by bad weather—reached only to 24.2 feet, well below the level of the city's defences.

Briefly

Driving licence for life—subject to medical safeguards—is proposed by the Government. It would cost £5. Page 14

Declaring December 27 a Bank Holiday, the Government also urged employers to add an extra day's holiday in a bid to reduce Christmas absenteeism. Page 23

Former TV "Come Dancing" hostess Juliet King, 18, was banned from driving for seven years and fined £100 at Oxford for causing the deaths of two children by dangerous driving. She had excessive alcohol in her blood when a car she took without permission hit a van carrying ... children last April.

...ung man who set off a small bomb in Red Square, apparently ... trying to make some form of protest, was led off by police.

... men were "comfortable" in hospital after being injured in a blast in an oxygen pipe at Wrexham, Denbighshire, steel-works.

Tony Jacklin, hit briefly by a dose of "Montezuma's Revenge," should be fit for to-day's opening rounds of the ... Tournament at Wentworth. Ben Wright, Page 11

BUSINESS

Nixon to detail Phase 2: Dow up 9

● GILTS were unsettled in late trading on news of the ban on purchases by non-residents of sterling territories. Medium dates lost part of their rises and longs ended at small losses.

● TOP EQUITIES were slow; the 30-share index lost 0.5 at 412.1. But FT-Actuaries indices had minor gains. Overall ratio was a rise-to-falls 5:3. Brown Bros.-Albany rose 14½p to 192½p and Standard Tyre fell 10½p to 167½p on the ending of merger talks. Page 25; Lex

● GOLD was unchanged at $42.45.

● WALL STREET UPSWING sent the Dow Jones Average up to end 9.41 higher at 900.55, the first closing Dow above 900 since September 21. Most of the rise occurred late in the day, prompted by news that President Nixon this evening (British time) is to spell out details of Phase Two of his economic programme on TV. His economic reform Bill, cutting business and personal taxes, has been approved by the House of Representatives and goes to the Senate.
Page 5

● President Nixon yesterday asked the courts to order dockers back to work—for the 80-day cooling period—on the west coast and in Chicago. He hoped a negotiated settlement could be reached for east coast and Mexican Gulf ports.

● U.S. CHROME IMPORTS from Rhodesia may be freed from the sanctions ban, the Senate having approved a proposal to remove it. The House of Representatives is expected to agree. One argument in the Senate was that chrome bought for the U.S. from Russia last year originated in Rhodesia.

Mortgages may fall ½%

● LOWER MORTGAGE RATES are looked for following to-morrow's meeting of the Building Societies Association, which probably will recommend an 8 per cent. rate, against 8½. The rate to investors is likely to be cut by ¼ to 4¾ per cent. But there are divided views on the Association council, so there can be no foregone conclusion.
Back Page

● LABOUR PARTY conference yesterday decided that a new economic policy is to be thrashed out. Said Mr. Roy Jenkins: It should be not merely a form of words to get us over the General Election but one to stand up to the pressures of office. His speech, calling for a "spirit of adventure and a high degree of self-discipline," was well received.
Back Page

● LORD MELCHETT, British Steel Corporation chairman, is handing over responsibility for day-to-day running to Dr. H. M. Finniston, leaving himself free for policy-making, finance and relations with the Government. This is part of a restructuring of BSC's top management.
Back Page and Page 22

Higher prices for diamonds

● PRICES OF DIAMONDS (rough) are to go up by 5 per cent. next month, says the De Beers Central Selling Organisation. The rise, apparently includinging 3 per cent. due to the U.S. dollar's fall in value, seems to stem from confidence in a revival in diamond trading.
Page 25

COMPANIES

Freemans (London, S.W.9) has a 48 per cent. rise in pre-tax profit for the first 28 weeks to £1.4m. despite the postal strike. Interim is again 7 per cent. Page 26; Lex

Wilmot-Breeden Holdings first-half pre-tax profit is £1.39m. (£1.12m.); the percentage rise is expected to continue in the second half. Interim is 4 per cent. (same). Page 25; Lex

CBI sees start of real recovery in industrial activity

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

LEADERS of the Confederation of British Industry believe that Britain may be at the start of a real and fairly substantial improvement in industrial activity.

Their confidence stems from the results of the latest CBI survey of industrial trends, published to-day, which paints a much more encouraging picture of Britain's prospects than the previous study, carried out in June.

But there is still considerable concern about the heavy unemployment figures, which stood at 929,000 at the last count. There is a feeling in the CBI that the position could deteriorate slightly over the next six months,

Details, Page 15
Editorial Comment, Page 22

although the Confederation would not be drawn into a forecast on whether the figure would pass 1m.

Answers to key questions in the CBI investigation of industrial trends:

	More	Same	Less	N/A
Are you more, or less, optimistic than four months ago about the general business situation?	31 (19)	55 (52)	15 (29)	— —
Do you expect to authorise more, or less, on capital expenditure in the next 12 months? A. Buildings:	16 (14)	37 (28)	41 (51)	6 (7)
B. Plant and machinery:	24 (18)	38 (31)	37 (49)	1 (2)
Are you more, or less, optimistic about export prospects for the next 12 months?	18 (14)	62 (58)	20 (28)	— —
	Yes	No	N/A	
Is your present output below capacity?	67 (63)	32 (36)	1 (1)	
	Up	Same	Down	N/A
Excluding seasonal variation, what has been the trend in the past four months in the value of total new orders?	31 (31)	32 (26)	32 (38)	4 (5)
And in the value of new export orders?	24 (31)	42 (33)	26 (34)	8 (2)

Figures in parentheses show the response to last June's questionnaire.

Mr. Campbell Adamson, the CBI's director general, intends to see Mr. Robert Carr, Secretary for Employment, and Mr. John Davies, Secretary for Trade and Industry, in the next two weeks to put forward firm proposals for alleviating high unemployment in such areas as Wales, parts of Scotland, and the North-East.

"We think certain things need to be done specifically for certain areas." Mr. Adamson said. "We have proposals to make—and if we don't do it in the next two to three weeks it will be too late."

Sir Hugh Weeks, chairman of the CBI's economics committee, said that the trends survey, carried out among 1,300 member companies at the beginning of last month, showed that there were clear signs of a future recovery in industrial activity—"although one certainly could not say that the recovery has started yet."

Although investment was unlikely to be as high in 1972 as in 1971, it was possible that investment would start moving upwards towards the end of next year, he said.

The survey certainly indicates that industry feels that investment, which is seriously depressed, is reaching its lowest point, and that the decline should start levelling off soon.

Sir Hugh said that it was too early to say whether the improvement in business confidence, which is probably the most encouraging feature of the report, will lead to a 4-4½ per cent. growth rate, the target set by the Chancellor of the Exchequer.

"Nevertheless, we may be seeing the beginning of a fairly substantial improvement, but I should not like yet to say anything about the timing and extent," Sir Hugh said.

The CBI survey, its forty-second, took place seven weeks after Mr. Barber introduced his reflationary measures and three weeks after the introduction of the Nixon Administration's restrictions in the U.S.

The American measures have not diminished optimism in the export field. In fact the confidence of the companies taking part, who are responsible for 45 per cent. of Britain's manufactured exports, increased considerably since June.

Generally, the survey suggests that some of the depression in industry over its investment prospects is lifting, and there is a substantial conviction that the improvement in order intake seen in the last four months can be sustained and improved upon.

Equally, industry feels that it can achieve a strong improvement in output trends and begin to slow down the rise in average unit costs. The forecast rise in prices is also less alarming than it was four months ago, an obvious reflection of the CBI's own price restraint initiative.

On the debit side, however, the report emphasised that a considerable sector of British industry is still working below capacity and that, despite recent improvements, many companies are still anxious about the state of their order books.

Hints of Wilson-Jenkins EEC deal anger Left

BY JOHN BOURNE, LOBBY EDITOR

BRIGHTON, Oct. 6.

MR. HAROLD WILSON is coming under heavy pressure from Labour anti-Marketeers following his hints to the Labour Party conference yesterday that there might be the possibility of a deal with Mr. Roy Jenkins and his supporters over their stand on the Common Market.

After angry protests from various Left wingers attending the conference Mr. Wilson had private talks with Mr. Michael Foot, a leader of the Tribune group of Left-wing MPs, and Mr. Jack Jones, general secretary of the Transport and General Workers' Union.

He is reported to have told them that there was no question of a deal, and that it had still to be decided in the Parliamentary Labour Party what instructions should be issued to Labour MPs for voting against the Government's EEC entry terms.

But, he added, in his opinion there would be a "thick three-line whip."

However, Labour anti-Marketeers are still convinced that Mr. Wilson's conference speech was designed to pave the way for a situation in which Labour pro-Marketeers who wished to vote with the Government in the Commons on October 28 would be allowed to do so. The only provision would be that they should agree to support the official Opposition when it voted against details of the consequent Common Market legislation during the coming year.

The anti-Marketeers have therefore decided to step up their pressure on Mr. Jenkins and his colleagues. Mr. Ian Mikardo, this year's Left-wing chairman of the Labour Party conference, told a packed Tribune Group rally here to-night: "If, as the newspapers are saying this morning, a squalid deal has been done to allow 60 pro-Market Labour MPs to eat their cake and have it—which would make Labour offensive to our friends and a welcome laughing-stock to our enemies—then those 60 constituency parties will have the right to cast a verdict on that shabby manoeuvre." He said some of them might exercise that right.

Mr. Mikardo's message was that pro-Marketeers who vote with the Government in the Commons will be putting their political careers at risk. Some pro-Marketeers are already under pressure from their constituency Labour parties to toe the official line, decided by the National Executive of the party and endorsed by this week's party conference.

UCS stewards stand firm

BY JAMES McDONALD, SHIPPING CORRESPONDENT

DESPITE the warning on Tuesday by Mr. John Davies, Secretary of State for Trade and Industry, that time was running out for even the nucleus of a new two-yard Upper Clyde shipbuilding company unless unions co-operated, UCS shop stewards in Glasgow yesterday endorsed their stand that all four of the Upper Clyde yards must remain open.

Mr. Davies' threat not to give shipowners cast-iron guarantees to underwrite suspended UCS orders while the stewards refused to discuss anything other than a four-yard survival plan was described by Mr. James Reid, spokesman of the shop stewards as "blackmail." The shop stewards are to seek the approval of the UCS work force at a mass meeting at Govan to-morrow.

The Minister's statement, added Mr. Reid, could only be construed as a diabolical attempt to blackmail and intimidate, not only the workers and the people of Scotland, but indeed the national trade union movement.

"If there is any crisis over work in the immediate future the responsibility will rest solely with Mr. Davies. All he required to do was to lift the telephone to ensure the UCS orders with shipowners."

Mr. Reid added that a mass deputation of Clydeside and other shipbuilding workers would lobby the forthcoming Conservative Party conference.

Mr. James Airlie, chairman of the co-ordinating committee of UCS shop stewards, said that at Friday's meeting "we are confident we will give the answer to Mr. Davies' strategy. If the Government's intention is to defeat this labour force, not to look for a solution but to grind us into the dust in defeat, they have underestimated not only the workers in this river, they have underestimate this movement."

The Department of Trade and Industry yesterday said that the shop stewards' "blackmail" allegations over Mr. Davies' statement were "entirely wrong." Shipowners, said a department spokesman, were asking for guarantees of delivery before they would confirm orders.

"The Government cannot give such guarantees since completion of ships is dependent upon the co-operation of the work force. Work for the Govan and Linthouse yards is entirely dependent upon orders from shipowners."

Continued on back page
Workers giving the lead, page 10

BEA puts altitude limit on Vanguard

By Michael Donne,

BRITISH European Airways announced last night that it is to restrict its 10 Vanguard passenger airliners to a "height ceiling" of 10,000 feet.

BEA described this move as a "precautionary measure" and said it would involve some route changes, where the normal air traffic requirements involved Vanguards flying above 10,000 feet.

The decision has been taken following last Saturday's crash of a Vanguard in Belgium, killing all 63 passengers and crew aboard.

Although no cause for that accident has yet been determined, there have been suggestions that metal fatigue might have been involved. Alternative theories have suggested sabotage, in the form of a bomb aboard the aircraft.

Nothing has yet been proved, however, and may not be for some time—indeed, the investigation could be one of the most difficult for some time, in view of the exceptional damage sustained in the crash and the unusual circumstances surrounding it.

The aircraft was flying along normally at about 19,000 feet in perfect weather when it dived to the ground, performing en route some exceptional manoeuvres that caused the tail to break off.

Play safe

In the circumstances, therefore, it appears that BEA has decided to play it safe and although still insisting that, so far as it knows, its Vanguards are fully airworthy, it intends to operate the height restriction for the time being.

This restriction will be lifted as and when the results of the investigation into last Saturday's accident are known. Certainly at this stage there is no intention of grounding the aircraft.

BEA currently flies Vanguards to such destinations as Salzburg, Gibraltar, Madrid and Malta, and on some U.K. domestic services, but these operations account for only a comparatively small proportion of the airline's total network.

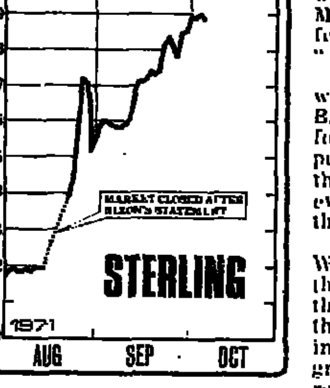
This winter, in any case, plans had already been made for many of the Vanguard services to be taken over by Trident or One-Eleven jets. Thus the number of passengers likely to be affected by such route changes as are necessary because of the height restriction will probably be small.

New exchange curbs follow rise in £

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE U.K. Treasury announced a further tightening of exchange controls yesterday afternoon after a dramatic rise in sterling had brought the rate to a new post-devaluation peak of $2.4930, or 3.9 per cent. above the official parity.

From to-day there is to be almost a complete ban on further purchases by non-residents of the sterling area of British Government securities, or securities carrying a Government guarantee. Switching from existing holdings will be allowed, but pending reinvestment the proceeds will have to be held in a suspense account bearing no interest.



The move represents a marked strengthening of the controls introduced on August 31, when a ban was imposed on further purchases of short and medium dated gilts by residents of the non-sterling area. From now on the ban applies to securities of any maturity date, and not just those maturing by 1976. Small transactions by private individuals will continue to be exempt.

The August 31 measures forbidding the payment of interest on extra bank deposits from outside the sterling area still apply. The new regulations cover nationalised industries' stock, commercial bills and promissory notes in sterling, sterling certificates of deposit and sterling acceptances, as well as all classes of gilts, and Treasury Bills. Local authorities and financial institutions such as building societies are still covered by the August 31 control.

After the announcement yesterday afternoon sterling fell back from the peak of $2.4930 at one stage to close at $2.4865-75 against $2.4898 on Tuesday night —3.6 per cent. above parity.

Sources close to the German Economics Minister, Professor Schiller, reportedly expressed disappointment with the British move, complaining that it added more "pollution" to an already "dirty" floating system, and that it could not be regarded as a contribution to a worldwide realignment of parities.

The move is certainly a relief for the U.S. Treasury Secretary, Mr. John Connally, who only last week at the International Monetary Fund's annual conference called for a period of "free floating."

The new measures—details of which will reach banks from the Bank of England this morning—follow from the U.K. authorities' policy of continuing to restrict the upward float of sterling, even though the desired limit on the float has had to be revised.

The measures are described in Whitehall as precautionary. But there can be little doubt that they are a direct response to the fact that the speculative inflow since August 31, has been greater than expected, with the result that the upward pressure on sterling has been very strong.

Some loopholes

The move is consistent with the U.K. strategy of confining the upward revaluation of sterling in any formal international negotiations to a minimum—experience suggests that once a currency has risen sharply in the market, it is not easy to bring it down again very far.

Some speculators had found loopholes in the August 31 regulations which will disappear now that the exchange controls have been extended to all classes of Government security.

But a major question mark remains over the inflow of hot money from the sterling area. So far the only measure taken by the authorities in this sphere has been the reduction in Bank Rate which brought U.K. interest rates more into line with those ruling overseas.

ON OTHER PAGES

To-day's issue contains four pages (32-35) on Senegal, and four page (16-19) on National Nigerian Bank.

U.S. forecast of Rank earnings

By Nicholas Colchester

NEW YORK, Oct. 6.

THE research department of Baker Weeks and Company, a broking house, in New York to-day told its clients that the non-Xerox part of Rank's earnings would be halved in 1971 to 5.5 cents a share, while the Xerox side would maintain its growth from 45.4 to 53.5 cents a share. In sum, this meant that Rank's earnings would grow from 56.4 cents to 59 cents a share between fiscal 1970 and fiscal 1971.

Thereafter Baker Weeks expected Rank's earnings to recover strongly to 10 cents in fiscal 1972 and 12 cents in 1973. On this basis total earnings would go from 59 cents to 76 cents and then to 94 cents in 1973.

The research department said that it had met last week with various executives of Rank and Rank Xerox and had concluded that Rank's earnings should recover strongly from the shortfall due this year. It cited the strong demand for colour television sets and suggested that the loss of Rank Precision Industries had bottomed and might be back to break-even in fiscal 1972.

It painted a generally rosy picture of the Xerox side, saying that although its earnings growth in the second half of 1971 would be disappointing, at around 13-15 per cent., it would be back to 25 per cent. "within 12 months or so" thanks to a halt in the rate of margin decline.

All in all, the house considered the stock attractive despite the fact that earnings for the year ending this month were down to 59 cents from its earlier prediction of 65 cents a share.

IN late trading in London yesterday, the Rank Organisation "A" shares fell by 66p to 740p, mainly on U.S. selling. By the close, the shares had recovered a little to 747p, down 59p on the day.

PRICE CHANGES

RISES:		
...Electronic	126	+ 6
...Newspapers	142	+ 6
...Port. Cement	375	+ 7½
...Rubber	321	+ 12
...& Wilcox	264	+ 17
...Bros.	98	+ 8
...(C. T.)	490	+ 14
...Excelsior	55	+ 7½
...Dredging	83	+ 6
...Brs. & Albany	192½	+ 14½
Cavenham Foods	140	+ 6
Empire Stores	327	+ 10
Freeman's (London)	180	+ 13
Group Lotus Car	67	+ 6
Hill & Smith	110	+ 16
Joseph (Leopold)	320	+ 15
Mercantile Credit	211	+ 16
Misconcrete	109	+ 10
Mowlem (J.)	142½	+ 10½
Nat. Westminster Bk.	584	+ 8
New Throgmorton Cap.	177	+ 21
Oddenino's	360	+ 20
Rowntree M'Kintosh	618	+ 8
Rycroft (Bradford)	105	+ 15
Tomatin	93	+ 7
UDT	212	+ 7
Trinidad Canadian	172	+ 6
General Mining	835	+ 10

FALLS:		
Philip's Lamp	508	− 12
Rank Org. 'A'	747	− 59
Standard Tyre	167½	− 10½
Warne Wright	39	− 5
Brit. Petroleum	603	− 5
F.S. Geduld	460	− 10
Great Boulder	50	− 7
Northgate Explor.	280	− 15
Poseidon	575	− 50
Selection Trust	625	− 10
WRIT	065	− 15
Whim Creek	116	− 28

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	Oct. 6	Oct. 5	Yr. ago
Industrial Group	1...68	170.45	—
500 Share	184.05	183.96	149.83
Div. Yield pc	3.60	3.60	4.52
P/E Ratio	18.00	18.00	15.30
All Share	181.71	181.41	143.39
Consols yield pc	8.62	8.58	9.22

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	Oct. 6	Oct. 5	Yr. ago
Govt. Secs.	78.87	78.90	70.96
Fixed Interest	78.66	78.69	73.28
Industrial Ord.	412.1	412.6	378.4
Gold Mines	47.1	47.0	50.7
Ord. Div. Yield	3.76	3.76	4.08
Earnings Yield	5.86	5.86	6.13
P/E Ratio	17.06	17.08	16.32
Dealings Marked	11,628	11,236	12,186

For latest share index phone (01)-246 8026

ANNUAL STATEMENTS

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Steinberg (London and S. Wales)	27
AB Svenska Flaktfabriken	10

INTERIM STATEMENTS

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Freemans (London S.W.9)	31
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FLOATING £

£=	Oct. 6	% change since Aug. 13	% change on par value
U.S. $	2.48½	+2.9	+3.7
Can. $	2.50½	+2.4	−3.4
Dutch fl.	8.37½	—	−3.6
†Belg. frs.	117.00	−2.5	−2.5
D.-Mark	8.26½	+0.8	−5.9
It. lire	1,522½	+1.4	+1.5
‡French frs.	13.75½	+3.1	+3.2
Jap. yen	823	−4.8	−4.7
Swiss frs.	9.86	+0.4	+0.4

† Convertible. ‡ Commercial.

New York close

	Oct. 6	Previous
New York spot	$2.4864-4871	$2.4897-4939
Do. (1 month)	0.31-0.26prem	0.42-0.48prem
Do. (3 months)	1.01-1.06prem	1.16-1.25prem
Do. (12 months)	0.85-0.96prem	1.05-1.15prem

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

World's resources · Small firms · New steel works

Sir,—In his letter on the subject of the world's finite resources (October 4) Mr. Percy-Davis is surely confusing the issues. On the one hand he warns of the danger of our being "conned into welcoming inferior substitutes as improvements," on the other he urges "strict recycling and massive changes in production systems to revert to making articles to last a lifetime." Both these statements appear to be based on fallacious assumptions. One would imagine that industry and the buying public are to-day far too critical to accept inferior substitutes. Equally it is true that with very few exceptions, thanks to the increasing sophistication of most consumer durables, their chances of lasting a lifetime are as remote as they are undesirable.

The conservation of material resources world-wide has occupied the planners in many countries for the last quarter of a century. One looks back somewhat nostalgically to the remarkable survey prepared for the President of the U.S. under the title of *Resources for Freedom*, which came to be known as the "Paley report." Volume IV of this survey dealt with "The Promise of Technology," and estimated both supply and demand in the U.S. extrapolated to 1975. That both have in fact to date proved to have been grossly underestimated and therefore exceedingly pessimistic cannot be blamed on W. S. Paley and his committee.

Change in pattern

The fact is that the whole pattern of the production and use of materials has changed in the meantime beyond all expectation, and in many cases largely because the aim of the planners and manufacturers has been to conserve materials by upgrading their effective use. A notable instance of this is the rapidly increasing use of plastics, the production of which has upgraded many raw materials which for decades had either been wasted or totally ignored. Within Mr. Percy-Davis' context these may be classified as "inferior substitutes," and they certainly might not "last a lifetime," but they offer the possibility *of industrial expansion to* the "have" and "have not" countries alike, of which political and industrial leaders the world over are fully conscious.

Surely if we are to have continued industrial expansion, even in an increasingly populated world, then planned obsolescence must be accepted. It is possible that looking back in less than a decade we may find Adrian Hamilton's forecast as wide of the mark as that of Paley.

V. E. Yarsley.
Yarsley Research Laboratories.
Clayton Road,
Chessington, Surrey.

Containers used just once

Sir,—There must be something wrong with an economy that dispatches experts to the wastes of the world to locate metals that are then processed thousands of miles away at great expense to be used just once. Just once—for containing a soft drink, after which the can is thrown into the gutter where it creates an eyesore, cuts into car tyres, and has to be cleared away by someone at public expense.

Perhaps one of the soft drink companies can explain the logic behind this particular piece of progress.

David Buckman.
4, Shiplake Court,
Leconfield Road, Highbury, N.5.

Lawyers' formal dress

Sir,—Justinian's attack on legal pomp and ceremony (October 4) is so strongly worded as to invite the comment that he has stopped short only of suggesting that accused persons should sit on the bench alongside the magistrate and act as judge and jury in their own causes! Joking apart, his attack on wigs and gowns may pass without comment, as many lawyers are reluctant to defend these antiquated relics. I for one, and writing as a non-lawyer, am anxious to see them preserved, and this for two reasons. First, because lawyers' garb has style, which much modern "gear" has not; and secondly, because formal dress, which it is, helps to preserve formal manners and counteracts *a tendency towards sloppiness* which seems to animate so much of U.S. Court procedure and so acts against the best interests of defendant and prosecution alike.

Justinian writes of the doctors as if they had no customs or solemn processions. I can assure him that this is very far from the truth: indeed the doctor's white coat hardly performs any function beyond that of advertising the fact that he is a member of the staff of a hospital and not a patient. Its antiseptic effects are minimal. As for the suggestion that wigs are an eighteenth century innovation, Janet Arnold in her *Perukes and Periwigs (1970)* states that they have been worn throughout the *history of costume, and in* England from 1660 onwards. As a matter of fact there are references to them being worn earlier by persons with little hair.

G. Chowdharay-Best.
174, Clay Hill Road,
Basildon, Essex.

Unemployment figures

Sir,—The implications that I would like D. Brown (Oct. 5), and other readers to draw from my letter are that, in the first place, there are a great many people drawing unemployment pay who have part-time work which, together with their Social Security payments, bring them in far more than they would be able to earn were they in full-time employment; and secondly, that if the unemployment figures were limited to (a) those who earned nothing from any occupation and (b) those who genuinely wanted work and had none, they would be a great deal less than the figure of 930,000 out of work which was given us last month.

In a nutshell, those who are *genuinely out of work* number far fewer than we have been told and it is quite unnecessary for the Government to lose its nerve and unnecessarily inflate the economy to deal with a state of affairs which does not constitute a real poltical problem.

L. T. S. Littman,
Ashley Chase,
Abbotsbury, Dorset.

Small business centre

Sir,—The continuing correspondence in your column regarding the viability and nature of services provided for small firms prompts me to write about *the Bristol Polytechnic Small* Business Centre—which, unlike others already mentioned, did not receive any "pump-priming" grant, caters specifically for small firms, and has a self financing constitution.

This Centre was established in 1969 with a full time staff of consultant lecturers, primarily recruited from industry, to provide a management advisory service and continuing education for the small business sector in the South West and South Wales.

The type of work undertaken includes profitability and productivity surveys, development and implementation of cost control systems, organisation restructuring and planning for growth, and installation of production and stock control schemes. The Bristol Polytechnic Small Business Centre also provides a programme of one-day management training courses which are specifically designed to give practical and "down-to-earth" guidance to the management of smaller businesses.

During the past two years this Centre has assisted an almost equal number of businesses in both manufacturing and service trades, and it is interesting to note the increasing number of very small companies (10-25 employees) who are eager to seek help in improving their present methods of management and formulating future plans.

As letters published on September 27 indicate, small firms need a special kind of consultancy and such an agency is more likely to be respected and used if it is itself operating from the same sort of base as a small firm. Perhaps this accounts for the success of our Centre at Bristol

M. B. Cumbers, Director,
Small Business Centre,
Bristol Polytechnic,
3 Great George Street, Bristol.

Industrial liaison

Sir,—As regular readers of the Letters to the Editor column, we are rather concerned at the *increasing tendency of your correspondents* to make sweeping statements which are not based on fact. In this instance, as industrial liaison officers, we are concerned at the remarks made by Mr. D. J. Instance of Enterprise Magazine (September 27).

In the twelve months ending March 31, 1971, Industrial Liaison Centres dealt with over 21,000 enquiries from manufacturing establishments, the majority of which were from small firms. Whilst we would agree that not all of the enquiries were of the greatest importance, they would not have been presented to Industrial Liaison Centres unless the firms had considered them important to their business.

As to our "safe" un-entrepreneurial background, every ILO has had extensive industrial experience, usually with small firms, and since our jobs are dependent on a Government grant, which has been under review for some time, we are not *familiar with the word "safe."* In our experience there are very few true entrepreneurs and surprisingly some of these spring from the academic world, as the growth of small firms founded by colleges, departments or individual lecturers would substantiate.

R. A. Burton, Hon. Secretary,
National Association of Industrial Liaison Officers,
Industrial Liaison Centre,
North East London Polytechnic,
Romford Road, Stratford, E 15.

Performance of split trusts

Sir,—I was interested to read the comments by Lex (October 4) on the performance of split trusts and the implications for market sentiment, but must admit that the remarks on portfolio performance seemed to me to be based on a rather doubtful premise.

I agree, of course, that when a conventional single-equity trust stands in the market at a premium to its asset value it is relying on the promise of above-average portfolio performance rather than on "any peculiarities of structure." I also agree that in a split-equity trust the need to treat income shareholders fairly will probably prevent the total portfolio performance of the split trust from being markedly above the average. But Lex does seem to be confusing these two distinct ideas when he *suggests that it is the basic portfolio* performance which is letting down the capital shares of established split trusts. When the market premium of a capital share disappears after a sharp rise in share prices it is not necessarily the future relative performance of the trust's portfolio which is in doubt. What is more probably to blame, as another part of the Lex article indeed suggests, is doubt about the continuance of the bull market, coupled with the realisation that gearing ratios have decreased.

The example of Dualvest which Lex quotes in this instance is unfortunate. It is certainly true that the company's total assets grew by 61 per cent. from the time of flotation in 1965 to the end of June, 1971 (it would, incidentally, have been fairer to add that after adjusting for preliminary expenses and capital gains tax the gain was nearly 65 per cent.) but it is not true, as far as my researches show, that the all share index rose by 72 per cent. over this period. I *believe the FT library's records* confirm my own in showing that the index gain was 66 per cent. Naturally the cause for real excitement is not that the basic portfolio performance of a necessarily middle-of-the-road fund has virtually equalled the all share index but rather (what Lex omits to mention) that the capital structure has trebled the value of the assets attributable to capital shareholders. That is what capital shares are all about.

David Montagu.
114, Old Broad Street, E.C.2.

Trade descriptions

Sir,—*Do manufacturers realise* that as the Merchandise Marks Act fades, the Trade Descriptions Act takes over? What was before required in the written form will continue to be required, usually verbally.

We have been at pains to find *out about this from the Indus*trial and Commercial Policy Division of the Department of Trade and Industry. They say—I quote in full a self-contained sentence—that: "It [the Trade Descriptions Act] also provides that a trade description is an indication direct *or indirect* [their italics] and by whatever means given, as to, amongst other things, the place of manufacture of any goods and also as to the person by whom any goods were manufactured or produced."

British manufacturers who now seek to introduce foreign lines to their list, without identification as to origin, may cause distributors to jump to a wrong conclusion. But when the public or shopkeepers ask about origins then whoever misinforms them *(the wholesaler perhaps)* is open to prosecution.

Harold Bearston.
Bearston Cutlery, Sheffield 3.

EEC and our legal system

Sir,—The Attorney-General, Sir Peter Rawlinson, is the latest to try to persuade lawyers that our entering the EEC would make no difference to our legal system.

By Article 189 of the Treaty of Rome, both individuals and organisations in this country would be subject to binding directives and regulations from the Council and Commission in Brussels, against which they would have no redress in our courts. No difference, Sir Peter?

M. J. Feaver,
14, Radyr Aven[ue],
Mayals, Swan[sea].

No case for a giant steel works

Sir,—I would like to be allowed to express my criticism of the article in your issue of September 3 under the heading: The Case for a Giant Steel Works.

At the present time Great Britain has a steel manufacturing capacity of about 26m. tons per annum, and your article points out that the British Steel Corporation visualises Great Britain would like to make 35m. tons by 1975 and quite possibly 40m. tons by 1980, and between 1972 and 1980 it expects it will need £4,000m. at 1971 prices. They do not tell us from whom this big expansion in demand is to come from in relatively a short time.

I would not rule out the *desirability for a large steel* works in Great Britain some day when the vast demand as visualised is with us and it would, of course, be necessary to put it on the coast for the necessary iron ore which we have not got, with coke supplies economically available, and for good exporting facilities.

I would like to be allowed to repeat the first paragraph of your article which states "at one time the Corporation said that the economic scale argument, called for a £1,000m. works able to produce 10m. tons per year—and earlier this year the talk was for a 12m. ton plant, but the Annual Report published about a month ago refers to a works with an ultimate capacity of up to 15m. tons of steel a year giving little change, it is safe to assume, from £1,500m.

These giant steel works I am sure will not lessen the cost of steel making the larger they are made—any size steel works over an economic level could more easily increase the cost of steel making. Giant steel works would have immense overheads, heavy debenture, large depreciation and interest charges.

Furthermore, the larger the steel works the more difficult it is for their customers to draw their supplies from it. Many users of steel sections require many different sizes and frequently cannot get the service *they want. Large rolling mills* with big outputs require large quantities of any one size to warrant changing the rolls to produce them.

In America where relatively large steel works exist customers are driven to get their supplies from the steel stockholding merchants who thrive in U.S. and naturally the steel is a much higher price per ton from a stockholder.

One of our largest steel works in South Wales was never *denationalised* since it was first nationalised, the reason being it loses some millions each year and does not seem able to make a profit and the taxpayer carries the loss. How one of these anticipated giant works are to make the necessary profits is hard to imagine and they well might cost the taxpayers a fortune—no taxpayer would take the risk at present.

We must look at the picture of our steel making and our market for steel as it exists to-day and plan for our future as the demand develops, as well it may, especially if and when we join the Common Market and are able to compete with our steel products in the whole of Europe.

The British customer for steel is the one we must supply first—they are our steel users. A large steel works situated on the coast would, of course, make steel from imported iron ore and *could export the steel abroad*—even to Germany and Holland and be as much, and perhaps more use to the Continent than to the British home market.

The time is now ripe to help our steel users in the Birmingham district where the cheapest and best steel is needed in large quantities, by installing a modern fully economic steel plant—not a giant one—to produce steel now in demand in the Midlands and to make large forging ingots and blooms and billets and sections and bars, all made from scrap in electric furnaces, no iron ore, no oxygen blown steel furnaces, no coke ovens or cogging mills being necessary—and plenty of scrap. At present quite 300,000 to 400,000 tons per annum of scrap can be economically forthcoming from the Birmingham area and Coventry, and if necessary, more from London and the Midlands, and some *could* be imported at an economical price—all largely in addition to the scrap railed away to Sheffield and South Wales.

A smallish steel works of a fully economic size with a capacity of about 150,000 tons *per annum costing about £7m. to* £8m. for the plant—established with room for expansion in the Birmingham area to make forging ingots and blooms, billets and bars and sections, all the steel being made in electric furnaces, all from scrap, which will produce better quality than by any other process, and at half the cost, I must repeat, at half the cost, and the cost of delivery of the steel to the user in the Birmingham/Wolverhampton area would not be more than *13p to 30p per ton.*

This steel works in the Birmingham area is a must—and it would be the greatest help to our users of steel and enable them to quote really competitive prices and compete in the Common Market.

W. H. B. Hatten.
Broome House,
Clent,
Nr. Stourbridge.

TV/Radio

ART GALLERIES

DRIAN GALLERIES, 5-7 Porchester Place, W.2. LACASSE Belgian Master.

KAPLAN GALLERY, 6 Duke Street, St. James's, S.W.1. MICHEL COLLE (1872-1949). First London Exhibition. Mon.-Fri. 10-6. Sats. 10-1.

LEONARD KOETSER GALLERY, 13 Duke Street, St. James's. 01-930 9348. Autumn Exhibition of Fine Old Master Paintings. 8th October-30th November. Daily 10-5.30. Sats. 10-1 p.m.

MARLBOROUGH FINE ART, 6 Albemarle Street, W.1. Ben Nicholson new reliefs. Daily 10-5.30. Saturdays 10-12.30. Until October 30th.

ROLAND, BROWSE & DELBANCO, 19 Cork Street, W.1. JOSEF HERMAN.

THACKERAY GALLERY, 18 Thackeray St., Kensington Sq., W.8. 937 5883. BRATBY R.A. until October 23rd. Tues.-Sat. 10-6. Wed. 10-8.

OMELL GALLERIES. New selections of Fine 19th and 20th Century Paintings for the Home and for Investment at Realistic Prices. 22, Bury Street, St. James's, S.W.1.

THE REDFERN GALLERY, 20 Cork Street, W.1. JOHN CARTER—NEW WORKS. Until 28th October. Daily 10-5. Sats. 10-1.

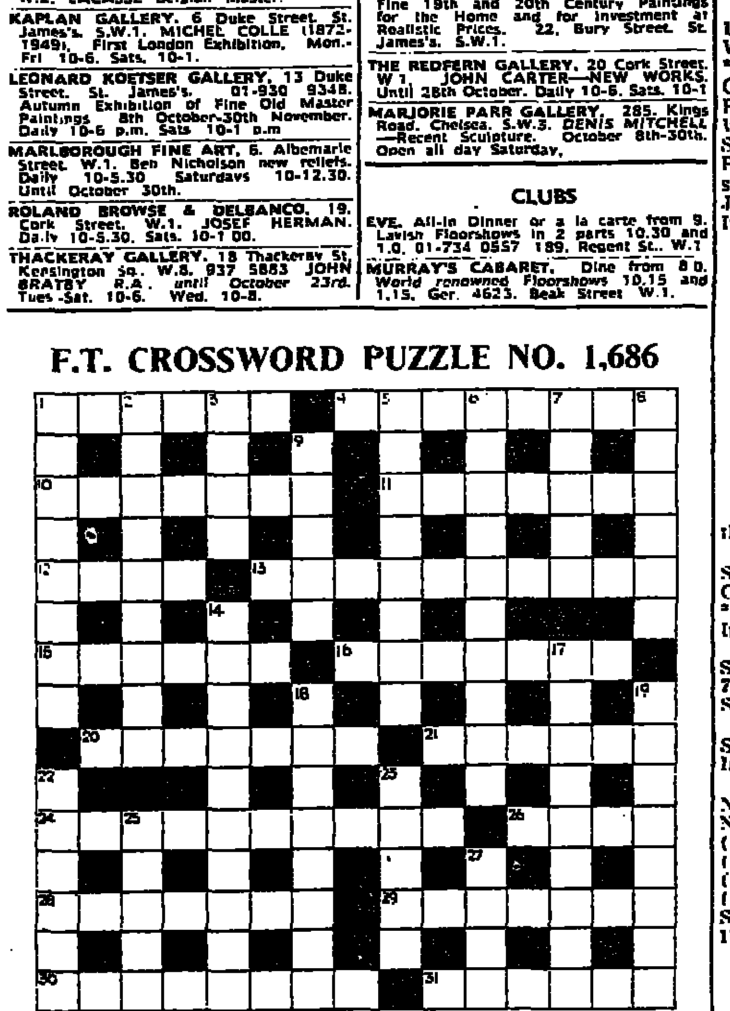
MARJORIE PARR GALLERY, 285, Kings Road, Chelsea, S.W.3. DENIS MITCHELL—Recent Sculpture. October 8th-30th. Open all day Saturday.

CLUBS

EVE, All-in Dinner or à la carte from 9. 01-734 0557. 189, Regent St., W.1.

MURRAY'S CABARET. World renowned Floorshows 10.15 and 1.15. Ger. 4623. Beak Street W.1.

F.T. CROSSWORD PUZZLE NO. 1,686



ACROSS

1 I'm back in the stew with a Scot (6)
4 It seems fair for debts to follow a gamble (8)
10 Reckons it is part of Holy Writ (7)
11 Produces like a poor bat (4, 3)
12 Vile taxis (4)
13 Ephemeral Russian commander (3, 7)
15 Spirit returns in a word of command for an Eastern C-in-C (6)
16 "Can —— urn or animated bust" (Gray) (7)
20 Where Elaine came from (7)
21 *Looks* unimpaired but can't it change (6)
24 Connected with manufacture in the River Test (10)
26 An admirer without a bob is in the cart (4)
28 Prohibition upsets decoration on a ship (7)
29 What we will be after increased togetherness (7)
30 Ancient arts with a Scot—you may get well after it (8)
31 Watch the vegetable (6)

DOWN

1 German lock for Diana (8)
2 Time has nothing for us of great consequence (8)
3 A degree of progress can change one's relations (4)
5 Shows a generation in short trousers (8)
6 Ill-natured women at Cowes (10)
7 Savour *nothing obstinate* (5)
8 A seat you have to pay for (6)
9 If the girl turns up it will be an advantage (5)
14 Stout roofs somehow under the weather (3, 2, 5)
17 Issue sets me up a people (9)
18 Disguised actor in a Stevenson novel (8)
19 Hair-style for a school to produce (4, 4)
22 Pictures cattle to a certain degree (6)
23 Hands father the old line (5)
25 A girl coming out finds it entered in red (5)
27 Language found in four Dutch towns (4)

SOLUTION TO PUZZLE No. 1,685

P	A	R	I	S	I	A	N		C	H	A	T	U	P
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* Indicates programme in black and white.

BBC 1

*9.38 a.m. For Schools, Colleges. 12.00 International Golf: Piccadilly World Match Play Championship. *12.30 p.m. Dressmaking. 12.50 Golf: return visit to World Match Play Championship. *1.30 Pogles' Wood. 1.45 News. *2.05 For Schools, Colleges. 2.25 Golf: Piccadilly Match Play Championship. 4.15 Play School. 4.40 Jackanory. 4.55 Blue Peter. 5.20 Ivanhoe. 5.44 Magic Roundabout. 5.50 News. 6.00 Nationwide Special: Richard Marsh, new boss of British Rail, answers questions. 7.00 Owen MD. 7.25 Top of the Pops. 8.00 Bachelor Father. 8.30 Monty Python's Flying Circus. 9.00 Nine O'Clock News. 9.20 Horse of the Year Show. 10.20 24 Hours. 11.15 Conference Report: Labour Party Conference.

All Regions as BBC 1 except at the following times:—

Wales—*2.30-2.50 p.m. For Schools (3.50 joins International Golf). *6.00-7.00 Wales To-day. *7.00-7.25 Heddiw. 8.00-8.30 Week In Week Out.

Scotland—*2.30-2.50 p.m. For Schools: Around Scotland. *6.00-7.00 Reporting Scotland. *11.42 Scottish News Headlines.

Northern Ireland—*6.00-7.00 p.m. Scene Around Six. *11.42 Northern Ireland News Headlines.

England—*6.00-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 11.42 Regional News Headlines.

BBC 2

10.00 a.m. Labour Party Conference. 11.00 Play School. 11.25-12.30 p.m. Labour Party Conference. 4.15 p.m. International Golf: Piccadilly World Match Play Championship. *6.35 History on the Rack. 7.05 Open University: Mathematics 33. 7.30 News. 8.00 Europa: Everyone is Guilty, part 2 (Pollution). 8.30 Trial. 9.20 Show of the Week, starring Terry Scott. 10.05 News on 2. 10.10 World Cinema: "Knife In The Water." 11.40 Late Night Line-up.

LONDON

9.30 a.m. Labour Party Conference (10.20-12.00 Schools Programmes). 12.00 Labour Party Conference (1.40-2.32 p.m. Schools Programmes). 2.32 Racing from York. 3.40 Origami. 3.55 Tea Break. 4.25 Peyton Place. 4.55 Flipper. 5.20 Magpie. 5.50 News from ITN. 6.00 To-day. 6.35 Crossroads. 7.05 The Thursday Film: "Cash McCall," starring James Garner and Natalie Wood. 9.00 The Lovers. 9.30 This Week. 10.00 News at Ten. 10.30 Cinema. 11.00 The Day Before Yesterday. 12.15 a.m. The Magazine Editors.

All ITV Regions as London except at the following times:—

ANGLIA

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

The Smith Family. 7.00 Premiere—O'Hara United States Treasury. 8.45 Age of the Buffalo. 12.00 Evening Prayers.

GRANADA

3.40 p.m. Farmhouse Kitchen. 4.05 News followed by *Peyton Place. 4.35 Lancelot Link. 4.50 Captain Scarlet and the Mysterons. 6.00 Newsday followed by *Put It In Writing. 6.25 The Mysteries of Edgar Wallace. 7.25 The New Dick Van Dyke Show. 8.00 The Persuaders.

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

RADIO 2 1,500m; VHF

RADIO 3 194m, 464m; VHF

RADIO 4 330m; VHF

Racing

Title Fight for York

by DARE WIGAN

ALL SIX races at York to-day are garnished with £800 added money and the stakes offered *have proved adequate to attract* a number of horses from Newmarket and the South.

One which, judged on his best form, will require a deal of beating is *Title Fight*, who goes for the Aske Handicap (3.30). At Newbury last month Wragg's colt ran on strongly when finishing second to *Aldie*, and he again made ground in the closing stages when fifth behind *Gossip Column* over 1¼ miles at the Ayr Western meeting.

Earlier in the season, he was runner-up to *King Midas* in the Beresford Handicap at Newmarket when attempting to concede the Irish Sweeps Cambridgeshire Handicap winner 1 lb and, though he has yet to race over 1½ miles, I see no reason why he should not stay this distance *as he is by Alcide, out of a mare* by *Supreme Court*. He appears to be reasonably weighted with 7 st., 9 lbs., and will be ridden by D. Cullen, one of the strongest of lightweight jockeys.

Grey Autumn, which was backed like a certainty at Ascot the *other* day, but *who failed* narrowly to concede 8 lbs to *Luanda*, attempts to retrieve losses in the Rawcliffe Nursery Handicap (4.00), and, provided that she is none the worse for her hard race on the Berkshire course, she is likely to do so. *She will not, however, find it* easy to get the better of *Parsimony*, which ran extremely well when finishing only two lengths behind the smart *Shady Fellow* the previous day at Ascot. *Roquelaire*, which runs instead of *Downy Bird*, is preferred to *Flapperette* and *Miss London* in the Askham Stakes (4.30).

Earlier in the afternoon the *South challenges for the Ainsty* Selling Stakes (2.00) with *Loughboro George*, trained by Captain Ryan Price at Findon in Sussex, and with *Speedy Money*, which has travelled up from Epsom. However, so well did *Supersal* acquit herself when runner-up to *Julie Carolyn* at Newmarket last week that I take her to win for J. Etherington's Malton stable.

In the absence of *Rascolnik*, *Staralgo* is the probable winner of the Leyburn Stakes (2.30). This colt by *Miralgo*, after shaping with promise behind *Pentland Firth* at Newmarket at the end of July, defeated *Rainy Season* and Tuesday's Lingfield winner, *Traquair*, comfortably at Yarmouth last month in faster time than that recorded by *Rippling Water* over the same course and distance the following day when conditions were almost identical.

In the Little Go Handicap (3.0) I like the look of *Salson*, which, after finishing second three times in succession, defeated *Hilda's Hurricane* at Nottingham last week, and which is penalised only 3lbs as a result. This gelding by *Sallymount* is trained by L. Shedden, who won the corresponding event last year with *Milton Abbey*.

SELECTIONS

2.00—Supersal
2.30—Staralgo*
3.00—Salson
3.30—Title Fight***
4.00—Grey Autumn**
4.30—Roquelaire

Non-stop radio if wanted says Chataway

ROUND-THE-CLOCK broadcasting should be provided if there was a public demand, said Mr. Christopher Chataway, Minister for Posts and Telecommunications, speaking yesterday on BBC Radio London's first birthday programme.

"I think that it's a question of public demand and if there is a substantial unmet demand then I think that in principle there ought to be broadcasting around the clock."

There used to be fears that if broadcasting was allowed into the small hours it would be a nuisance to the neighbours. Now there was broadcasting until 2 am and so there was really no difficulty of principle.

He thought that by 1973 Radio London would have competition from one or two commercial stations. That depended on a number of things, "but a fair guess would be late in 1973," the Minister added.

To-day

SOCIETY OF INVESTMENT ANALYSTS meeting to be addressed by Mr. A. [...] Down, joint deputy chairman of British Petroleum, at the library of the Institute of Bankers, 10, Lombard Street, E.C., 5.30 p.m.

LABOUR PARTY CONFERENCE, fourth day, at the Top Rank Centre, Brighton.

COMPANY MEETINGS

ASSAM AND AFRICAN INVESTMENTS, 40, St. Mary Axe, E.C., 12. (Chairman, Sir Hugh M. Tallack.)

CARDING INVESTMENTS, Wolverhampton, 6.30. (Chairman, Mr. M. J. Carding.)

ESTATES PROPERTY INVESTMENT, Abercorn Rooms, E.C., 12.15. (Chairman, Mr. A. R. Perry.)

GELFER (A. AND J.), Glasgow, 12. (Chairman, Mr. B. M. Steen.)

JONES STROUD, Nottingham, 12. (Chairman, Mr. P. L. Jones.)

LEADENHALL-STERLING, Winchester House, E.C., 12. (Chairman, Mr. I. [...] Henderson.)

LONDON MIDLAND ASSOCIATED PROPERTIES, Connaught Rooms, W.C., 12. (Chairman, Mr. B. Sutton.)

MALAYSIAM TIN, 138, Cheapside, E.C., 12. (Chairman Mr. B. C. Lockhart-Jervis.)

RAGLAN PROPERTY TRUST, Abercorn Rooms, E.C., 11. (Chairman, Mr. J. [...] Rowland-Jones.)

REGIONAL PROPERTIES, Connaught Rooms, W.C., 12.15. (Chairman, Mr. B. Sutton.)

OED SQUEEZED INTO 2 VOLUMES

THE HUGE Oxford English Dictionary, containing half-a-million definitions, has been squeezed between the covers of two volumes. This, a new *miracle to the librarian* accustomed to the existing OED which takes up a yard of shelf and weighs 102 lb. has been achieved by reproducing four pages of the original on each page of the new compact edition, out to-day at £28.

A keen eye can just read the *small type of the compact edition*. But a reading glass provided with each pair of books enlarges the type to near the size of the original.

The standard OED at £90 is more than three times the price of the compact edition.

John F. Kennedy Centre

Beatrix Cenci by DAVID HAMILTON

Following the opening performances of Leonard Bernstein's *Mass*, the Opera House of the new John F. Kennedy Centre was turned over to the Opera Society of Washington for the world premiere of Alberto Ginaster's *Beatrix Cenci*. With a libretto (in Spanish) by William Shand and Alberto Girri, based on the events best known to English-speaking readers through Shelley's verse drama, the new opera pursues again the vein of violence and sexual obsession in an Italian Renaissance setting that characterised Ginaster's previous stage work, *Bomarzo* (also first presented by the Washington Opera Society).

The argument varies somewhat in detail from Shelley's version, with the action simplified — somewhat clumsily at times, as when Beatrix's older brother Giacomo is reduced to a mere walk-on in the second act. Like many 20th-century operas, this one is made up of numerous short scenes (14 in all, divided into two acts, with the first carrying through the Count's rape of his daughter), although the orchestral interludes that we associate with such structure (as in *Pelléas Wozzeck, or The Turn of the Screw)* are only minimally present here; apparently the use of projected scenery was envisaged from the start. Although *Cenci* is devoid of ensembles for the soloists, some other operatic conventions are clearly foreseen in the libretto's layout, (including solo arias, lyrical mood pieces (including an "Embroidery Chorus"), and an extended ballet sequence during which the plot moves forward.

As we know from his earlier works, Ginastera has a fluent command of contemporary idioms, and his orchestral writing here is full of flashy sounds, including the full repertory of "Polish" noises. Further, he has some sense of rhythmic build-up and contrast, at least locally, and his use of tone-cluster harmony (within what seems to be a basically 12-tone framework) is more imaginative than, say, Penderecki's in the *Devils of Loudun*, where the unvaried sonorities quickly generate monotony. For purposes of atmosphere, these techniques are well used, but over the course of the evening nothing more powerful or structurally convincing emerges than a kind of background music to relatively neutral vocal lines. The sonic representation of the Count's baying dogs is ingenious, but it resolutely refuses to relate to the rest of the texture, and perhaps the most symptomatic moment in the score is the climax of the first act: merely an amplified scream from Beatrix.

Earlier, the ballet sequence, made from authentic sixteenth-century material (and apparently originally intended for performance on old instruments, a refinement that had to be abandoned due to pressures of time and money) offered a stylistic hiatus that was hardly bridged by the occasional baying-dog interpolation, and its function was nothing more nor less than that of the pastiche dances that used to turn up in the ballroom scenes of old Hollywood costume epics (I couldn't help thinking what Maxwell Davies might have done with those dances!). In short, at crucial points, the operatic problem—and, equally, the operatic opportunity—was side-stepped entirely, and salient aspects of plot and character remained in a musical vacuum.

If one thought more than once of film music, that may also have had its basis in the physical production, which involved extensive use of film, projected in a front scrim and a back screen. Indeed, at times the "scenery" was so much more active than the players that one might well have been in a cinema. Some of the static sets, such as a garden scene, were pretty enough, and the rapidly moving projections of Roman architecture as well as live-action "flashbacks" during the choral prologue were extremely successful, but eventually the unaltered repetition of certain sequences and the continual recurrence of Roman baroque *mascheroni* produced visual monotony.

Within Ronald Chase's light pictures, the direction of the principals by Gerald Freedman (whose credits include the original, off-Broadway *Hair*) was generally pallid and unconvincing—conspicuously so at the moment when Count Cenci (according to the libretto) should force his daughter to bed with him; no force was in evidence, and while an Electra-complex interpretation of this story might well be tenable, such does not seem to have been the composer's intention. At other points as well, I suspected directorial licence, but since the available score did not include the stage directions I cannot be certain.

On the musical side, the Washington Opera Society assembled a strong cast, and the orchestra, under Julius Rudel's direction, coped well with its numerous difficulties, including some improvisatory assignments. The men of the cast—Justino Diaz as the Count, and Grayson Hirst as Orsini—offered more security and clarity of pitch, while there was ample tone, if less focus, from Arlene Saunders (Beatrix) and Carol Smith (Lucrezia, her stepmother). Spanish-speakers in the audience averred that little text was audible, but it seems probable that the front scrim may have been partly to blame for this, as well as the opaque nature of the libretto's reflective parts—if the published translation (by the English-speaking member of the team of librettists) had been sung with perfect clarity, I might well have concluded that I were not hearing properly.

Carol Smith, Anthony McLeon and Justino Diaz in Alberto Ginaster's new opera "Beatrix Cenci"

Record Review

Oiseau Lyre by GILLIAN WIDDICOMBE

Masters of Early English Keyboard Music
Dart. Oiseau-Lyre OLS 114-8, five records, £4.95

Semele. Vyvyan, Watts, Herbert, James/New Symphony Orchestra of London/St. Anthony Singers/Lewis.
Oiseau Lyre OLS 111-3, three records, £2.97

Hippolyte et Aricie. Highlights. Baker, Tear, Shirley-Quirk/ECO/St. Anthony Singers/Lewis.
Oiseau-Lyre SOL 321, £1.61

Beatrice et Benedict/L'Enfance du Christ. Highlights Cantelo, Veasey, Watts, Mitchinson; Morison, Pears, Cameron, Rouleau/LSO; Goldsbrough Orchestra/St. Anthony Singers/Davis.
Oiseau-Lyre SOL 322, £1.61

Monteverdi Vespers (1610). Ritchie, Morison, Herbert, Lewis, Boyce / Oiseau-Lyre Ensemble/London Singers/Lewis.
Oiseau-Lyre OLS 107/8, two records, £1.98

These records, selected from the large list of Oiseau Lyre reissues at bargain prices, take me back exactly ten years. Bored with the music student's breakfast of Bach and Beethoven, I gave up practising on Saturdays to earn honest money behind the counter of a Soho record shop. It was the Spinks of the record industry, selling only classical records, guaranteed unplayed, scarcely even displayed, to extremely well-informed clients. This curious little emporium was owned and harangued by a hysterical eccentric called Henry Hubble, who subsequently died amid some mystery. His counter was the ideal position from which to feel the pulse of the record industry at that time. Klemperer, Karajan, Boult, Bernstein, Szell and Bruno Walter: these were our regular trade, with Beecham and Furtwängler as background classics. Certainly those were the days of the big conductors and a few famous pianists, and, of course, the Amadeus String Quartet.

However, one of the specialities of Henry's stock was the Oiseau Lyre catalogue; and these were its golden years. The company had started in 1953, as a sideline of a French publishing house that specialised in authentic editions of 18th-century music. The records were issued by Decca, at first using French artists but soon discovering that Englishmen like Thurston Dart, Anthony Lewis, Neville Marriner and Colin Davis were available. Dart appeared first as a keyboard player, and then took over the Philomusica; while Lewis gathered young singers like Joan Sutherland, Janet Baker, Robert Tear together with their slightly senior colleague Elsie Morison, Margaret Ritchie, Richard Lewis, Jennifer Vyvyan and Alfred Deller, to record the stage works of Purcell and Handel. Neville Marriner made his first recordings with the Academy of St. Martin's on this label; Colin Davis did the big Berlioz works here for the first time. By 1960 a fresh, courageous and fertile catalogue had been built up, even though it had never received much publicity because the company was still small and privately owned. But in 1963 the Lyre Bird herself, Louise Dyer, died; and though the classic Oiseau Lyre records remained officially in the catalogue, with occasional new issues, most of the artists were snapped up by the big companies and many of the records became ghost figures even in sophisticated shops like my old friend's in Soho.

Earlier this year, Decca bought the label and its entire repertory outright. (Ironically, and tragically, this happened at the same time that Thurston Dart died in his fiftieth year.) Decca has not committed itself to any definite policy for making new records, and it is difficult to see how they will combine such issues with their other special subsidiary, Argo. However, they have done justice to the classics. The early monos are being reissued, with electronically created stereo, at 99 pence; and the later ones, most of which caught early stereo, are now available at £1.61. A large number of reissues are being produced from now till the end of this year; then there will be two regular reissues a month. Meanwhile, the ghosts are quietly coming back into print in the shops, and should be recognised in their proper context. The original issues were easily ahead of their time; and in the present cultivation of all things baroque, their reissues at bargain prices deserve to reap belated reward.

I choose the boxed set of "Masters of Early English Keyboard Music" first with respect to Dart's influence not only on the Oiseau Lyre catalogue as a whole, but also on the rediscovery of lesser 17th and 18th century composers as a period, through his persuasive performances of their music. It is well known that he was an eccentric, and that the sensible scholar who wrote *The Interpretation of Music* to guide performers in 1954, was overtaken by some weird ideas about Bach towards the end of his life. But it was as a harpsichordist that he was extraordinary. His technique was nothing spectacular, yet he combined his knowledge with the spontaneous streak of musical feeling that brings early keyboard music to life more truly than any other musician I can think of. Continuo accompaniment was his finest achievement: always improvised, never the same—which made him a difficult character in the recording studio, since it was often impossible to cut and edit from one take to another.

The five records in this box have been gathered from separate issues, but make an excellent collection. Their details are too many to list here: basically it is Bull, Byrd, Gibbons, Tomkins, Farnaby and Locke, played on a harpsichord and clavichord (both by Goff), and an attractive small Snetzler organ whose delicate clarity and sweet tone make up for the complement of buzzes which suggest that a 17th-century organ no longer works quite as cleanly as it used to. Naturally some of these pieces are extremely slight; while others become remarkably elaborate—for dances and voluntaries, that is. There is plenty for the scholar to think about; but I must add that there is nothing for those who are shy about musicology to be afraid of; all these small morsels should be taken in the sprightly and soothing spirits in which Dart offers them.

Dart plays continuo in this complete recording of Handel's *Semele*. Within a few bars his crisp touch and characteristic habit of sprinkling scales demonstrate his brilliance; but he is never too fussy, and the recording could be valid for its lessons in continuo discretion alone. The singing is only fair; stylish but slightly stiff, and slow; and I confess I find even Jennifer Vyvyan's Semele sounding dated. Orchestral playing is lively but scruffy. Worthwhile, though, since this is still the only recording of *Semele* available.

The highlight records are also welcome, but though the extracts have been sensibly chosen, both the Berlioz double-bill and the Rameau serve as samplers to remind one that the original recordings are now in print, and recommended in entirety at their new cheap prices. (The Rameau dates from 1966; *Beatrice* from 1963, *L'Enfance* from 1961.) As a highlight, however, the Rameau is the better buy, since it has Janet Baker singing Phaedre's with her usual power and passion.

The Monteverdi *Vespers* was one of the very first Oiseau-Lyre issues. Since Lewis uses the edition by Leo Schrade, which involves complicated questions of comparison with those by Denis Stevens and Gustav Leonhardt, I give it a temporary recommendation here and hold details until writing about the huge Philips box of Monteverdi madrigals later this month.

Thurston Dart

Elizabeth Hall

Gabrieli Quartet by RONALD CRICHTON

The first of the Gabrieli Quartet's three Elizabeth Hall recitals was a cheering event for more than one reason. First, there was a large audience on Tuesday with many more young people than normally come to a straight concert of chamber music—could reasonable ticket prices have something to do with this, as well as the Quartet's television appearances? Second, the Quartet affirmed themselves as one of our best ensembles, with an increasingly individual style of their own.

This style, not in the least self-conscious or eccentric, may have worked itself out in the players half-unconsciously. Predominantly it is firm and light. Clearly the leader's silver, quick-reacting playing has most to do with it, but the cello's tone, light again but singing easily through, is typical. Between these the individual yet matching voices of second violin and viola soon make themselves gently but firmly felt. They present and phrase important themes like the dreamy tune in the opening movement of Dvorak's "American" with a rare kind of high-stepping elegance, perfectly natural, not affected.

Sometimes on Tuesday the lightness became dangerous in what after all is a large hall for a string quartet. The first violin's repeated grace notes in the trio of the minuet in Haydn's Op. 76 No 5 were nearly wispy. Again, he touched in details in the first movement of Beethoven's Op. 132 so gently that they hard[ly] registered. Refinement is fi[rst] cousin to bloodlessness, but t[he] cousin must somehow be ke[pt] out of the way. There was no[ne] of this feeling of insubstantiali[ty] in music where melody is pa[ra]mount, in Haydn's splend[id] Largo, or Dvorak's elegiac Lent[o]. The danger was greater in fa[st] music. They made little [of] Dvorak's scherzo, the least [in]teresting of his four movemen[ts] but for that reason needi[ng] special attention.

The Beethoven first moveme[nt] was not quite strong enough [to] provide backbone for the b[ig] moments, which were disti[n]guished. In the second t[he] Gabrieli, like even the mo[st] seasoned of quartet playe[rs] before them, found exact obser[v]ation of Beethoven's crescend[o]-diminuendo marks difficu[lt]. Much of the *Heiliger Dankgesa[ng]* went deep into the music in sp[ite] of a tempo that put a strain [on] tone evidently bent on avoidi[ng] the suspicion of fatness like t[he] devil.

In general, closer attention [to] composers' dynamic shad[ings] would probably help by givi[ng] more scope for their capacity f[or] delicacy. That their lig[ht] approach can work extreme[ly] well in the biggest music w[as] shown by the finale of Op. 13[2]. Here the effect of light (now t[he] word must be used again, but [in] its other sense) physical a[nd] spiritual filtering through t[he] notes could not have been bett[er] rendered. A most interesti[ng,] encouraging concert. The remai[n]ing ones are on Tuesdays 12 (Mozart-Shostakovich - Schuber[t]) and 19th (Beethoven-Moza[rt]-Janacek) of this month.

Basement, Greek Street

The Clinic by GARRY O'CONNOR

This is another profane little brass-rubbing of the times, revealing some of the horrors of venereal disease. Shame, humiliation and scandal are what "W." the hero of Peter Crichton Williams' lunch-time play, feels when confronted with the paraphernalia of the VD clinic, to which he has reported with his incipient infection. The white-coated men and nurses become the exterminating angels of "W's" conscience, abusing him or giving him hope, or merely feeding him the facts, which are bad enough.

Rambling on with half-confessional asides, "W" manages to construct what almost turns out to be a sermon on promiscuity. There is no escape, he concludes, from the social pressures that create the promiscu[ity] which spreads the VD thoug[h] he, and Mr. Williams, cou[ld] have made much more of th[is] aspect of the problem. "W[."] comes from N.W.3, supposed[ly] a laughable incongruity, but no[t] as recent figures of the spre[ad] of VD among the affluent revea[l] all that extraordinary.

In spite of language heavi[ly] charged with sexual disgus[t] most of it turns out to [be] merely innocuous. The redeem[ing] feature is a lively perform[ance] from Roland Oliver [as] "W." and the three men[,] rubber-gloved white-coats.

With *The Clinic* can be see[n] Pinter's *Night*, a modest tw[o]-handed conversation piec[e] gently shuffled and dealt acro[ss] a table by Dudley Sutton an[d] Tamara Hinchco.

Festival Hall

Chicago Symphony by GILLIAN WIDDICOMBE

Like busy tourists with 33 cathedrals to cram into 33 days, the Chicago Symphony Orchestra have now done Europe. On Tuesday at the Festival Hall they gave the final European concert in this, their first venture across the Atlantic. Before anything else, we must include the hope that they will make many more London visits. Of course it is critically expensive—particularly in the context of America's system of private (and industrial) patronage instead of public subsidy—for an orchestra like the Chicago to tour abroad; and America's orchestral finances are now boiling towards an explosive situation. But the Chicago is one of the world's greatest orchestras; it is surely worth someone's cash to allow the world to recognise the fact.

The majority of concerts on this tour have been conducted by the Chicago's Music Director, Georg Solti. However, it was typical of Solti (who is surely the most generous and public spirited of all principal conductors where rival colleagues are concerned) to allow Giulini, his Principal Guest, to undertake this final concert, and thereby reap the final burst of vitality that was noticeable on Tuesday. Giulini's two concerts with the Chicago at Edinburgh at the beginning of the tour, included two of the three pieces played on Tuesday. But both the Mozart Symphony No. 39 and the Ravel *Rapsodie espagnole* seemed to go markedly better on Tuesday, with the expressive warmth and eloquence that we missed in Edinburgh, for all that we were dazzled by the virtuosity, the drive, the balance, and the overall precision of the orchestra itself.

One either loves or loathes what Giulini does to Mozart and Beethoven. In short, he does a lot. And while no one could quarrel with his compulsion to make melodies sing (particularly those from woodwind of course) there comes a point where sometimes the sheer extravagance of it all turns sickly. The Mozart Andante was the most luscious: every 8 bars, a total change of meaning, as though an entire aria had to be condensed into the simplest question and answer phrases. The only feature that was missed was wit: for such an elegant conductor Giulini has a surprisingly stompy attitude towards minuet movements; both Beethoven's and Mozart's were given gruff, steady readings with regular accents.

The Ravel *Rapsodie* made a supreme showpiece for the Chicago. Giulini milked it, with slow tempi squeezed to silken threads, and rhythms of narcissistic flexibility. Yet I thought the Beethoven the most extraordinary performance of the evening. Nothing "classical" about it. Nothing dull. But this is available on one of the Chicago's new records with Giulini; and though the recording is less ardent it should be prescribed hearing for all who missed hearing the Chicago in dazzling reality.

Scottish Opera cancels visit to Belfast

A visit by Scottish Opera to Belfast in November has been cancelled at the request of the Arts Council of Northern Ireland. The visit was to take place between November 2 to 6 with a repertoire of the *Barber of Seville* and *Don Giovanni* and would have been the first visit by Scottish Opera to the city.

Bishopsgate Hall

Ian Partridge by RONALD CRICHTON

The City Music Society's lunchtime concerts in Bishopsgate Hall are as good value as any chamber music series in London, but for some mysterious reason song recitals are apparently less well attended there than instrumental programmes. There was a thin house on Tuesday for Ian and Jennifer Partridge, appearing in the place of Brian Rayner Cook, who was ill. Why this distinction—does Lieder singing require a degree of concentration specially hard to achieve in the lunch hour? There can scarcely be any a priori reason why City music lovers should be less well-disposed towards songs than sonatas.

Not that this recital was one to make many zealous converts. We know Mr. Partridge for a good, versatile, musical singer. But on this occasion he intoned Schumann's Eichendorff *Liederkreis* as blandly as if he were in a cathedral choir taking tenor solos at evensong. As far as it went it was beautiful (and beautifully in tune) but it did not go nearly far enough for the passionate things Eichendorff's verses and Schumann's settings are about — broken hearts, enchantresses, solitude, spring. The paraphernalia of German romanticism indeed, but expressed by a composer of genius of his most genial vein. "Mondnacht" went well, but Mr. Partridge applied that contemplative mood almost throughout, subduing his voice so much that his pianist was barely able to keep the accompaniments breathing.

Before the Schumann came *The Everlasting Voices*, by Dennis Wickens, who writes agreeably if too fluently in traditional British song-idiom. Five poems, three of them by De La Mare, one each by D. G. Rossetti and Yeats. So few words could be caught that I took refuge in fantasies sparked off by the tenor's reminiscent opening line and a hint of Debussy in the piano writing. Suppose that Pelléas and Mélisande did not die but got away, fled across the sea from Allemonde to East Anglia (still medieval, of course, in Victorian times) where they changed their names to Peter Quint and Miss Jessel, and to expiate their sin went into domestic service at a lonely country house. . . . Even that did not last out the third song, "The Sea-limits," almost a miniature cantata. The final song, which gives its name to the set, is short and effective.

Book Reviews are on Page 28

Arts Theatre

Pradel by GARRY O'CONNOR

With an "apache" timeless face, a rag of a body, and long exquisitely expressive fingers, Pradel demonstrates that the old and timeless techniques of mime can still enthral. The lone unaided appearance is a highly vulnerable undertaking; Pradel takes advantage of it with diminutive cocky dignity; without a trace of fulsome pathos, without trying to ram home the excellence of his virtuosity.

His mime is in the Commedia dell'Arte tradition: the weights he lifts as a weightlifter are comically schematic, not balanced out with the naturalistic exactness of a Marceau or a Jacques Lecoq. There is nothing about his act as spiritual as Barrault's Pierrot in the Funambules of *Les Enfants du Paradis*, though Barrault does perform a sketch of a man trying to shoot himself (Pierrot, with similar comic grief in love, tried to hang himself). Unlike the purists, Pradel does not dispense with facial expression: he tortures his face into grimaces of pain, or wreathes it into ingratiative smiles, as occasion demands.

The numerous sketches cover a wide range of the expected: the conductor, to whom he adds a new twist, by removing his ear-plugs at the end of the performance; the toreador, the surgeon; the street musician, whose penury reduces him to eating his red rubber braces, which have hitherto served him as violin. To each he adds piquancy with an element of the grotesque, especially to deflating his heroic targets; the tough cowboy palsied by the trotting motions of his horse, the conceited weekender ending in a crash of metal and a skeleton's mask.

The most ambitious sketch is the last. Announced as The Doors by placard-bearing Monique, his inscrutable Mona Lisa of an assistant, it shows Pradel entering a creaky terrifying universe. Half a dozen doors open on sounds that threaten him with extinction: a train rushing by, that jogs his head from his shoulders; a battlefield piercing him with imagery bullets; a snatch of what the French call "le shake," sinuously entering his anatomy. With a mighty effort he pushes each door shut, escaping to a sanctuary of silence. But this engulfs him even more. Joyfully he returns to the noise, opening every door at once.

After this stirring effect Pradel rounded the first night off with a touch of iconoclasm: at the curtain call, he counted the audience; and computed, with slendered mockery of his fingers, the percentage that was his due. A rugged applause had greeted him; numerically thin we were, but heartfelt in appreciation of his nimble and fidgety talents.

ENTERTAINMENT GUIDE

OPERA AND BALLET

COVENT GARDEN. ROYAL OPERA. Fri. & Oct. 12 & 16 at 7 **AIDA** Oct. 15, 18, 23, 26 at 7.30 **FIDELIO** Dvorakova, Harwood, Pribyl, Dobson, McIntyre, Robinson, Wicks. Cond: Davis. Seats available for Fidelio. (240 1066.)

COVENT GARDEN. ROYAL BALLET. Sat., Mon. & Wed. next at 7.30 **ANASTASIA** Sat. & Mon. Seymour, Beriosova, Wed. Collier, Parkinson. Seats available from 70p, except Sat.

COLISEUM. Sadler's Wells OPERA Tonight at 7.30 **IOLANTHE** Tomorrow & Tue. at 7. Oct. 15 at 5 Few seats available for last 3 perfs. of **CARMEN** Sat. & Thur. next at 7.30 **CAVALLERIA RUSTICANA AND PAGLIACCI** "Vivid performances all round" Wed. next at 6.30 **LOHENGRIN** "Visually & dramatically splendid" Box Office: Tel. 836 3161

THEATRES

WHEN DIALLING THE BOX OFFICE FROM OUTSIDE THE LONDON AREA DIAL PREFIX 01

ADELPHI. 836 7611. Evenings 7.30. Mats. Thurs. at 3.0. Sats. at 4.0. THE MUSICAL OF A LIFETIME **SHOW BOAT** With the immortal Songs of KERN AND HAMMERSTEIN

ALDWYCH. 836 6404 ROYAL SHAKESPEARE CO. JOYCE'S **EXILES** (Tonight 7.0, tomorrow 7.30, Sat. 2.30 & 7.30, Oct. 18, 19, 20, 21): Etherege's THE MAN OF MODE (Mon., Tues. 7.30, Wed. 2.30 & 7.30. Pinter's OLD TIMES (Oct. 14, 15, 16 m&e): A MIDSUMMER NIGHT'S DREAM (Oct. 25, 26, 27 m&e): Gorky's ENEMIES (Nov. 8 & 9): last perfs. THE PLACE, Dukes Rd. Euston. 387 0031. From Mon: 3—play special season: All tickets 90p (plus 10p non-members R.S.C. & Place Clubs) Repertoire leaflet available —enclose s.a.e.

AMBASSADORS. 836 1171. Evs. 8. Mat. Tues. 2.45. Sats. 5, 8. Agatha Christie's **THE MOUSETRAP** NINETEENTH BREATHTAKING YEAR

APOLLO. 437 2663. Evenings 8.0. Fri. and Sat. 5.30 and 8.30. "IF WE SEE A BETTER PLAY THIS YEAR WE'LL BE LUCKY." Observer. **FORGET-ME-NOT LANE** By PETER NICHOLS

CAMBRIDGE. 836 6056. Evenings 8.0, Sat. 6 & 8.40. RALPH RICHARDSON, JILL BENNETT **WEST OF SUEZ** by JOHN OSBORNE

COMEDY. 930 2578. 8.15. Sat. 6.0 and 8.40. Mats. Wed. 2.30 reduced prices 25p to £1. Charles Tingwell, Gay Singleton, Richard Coleman in [illegible] 6th GREAT [illegible] **THERE'S A GIRL IN MY SOUP** LONGEST RUNNING COMEDY HIT OF ALL TIME.

CRITERION. [illegible] **ALAN BATES in BUTLEY** by Simon Gray [illegible]

DRURY LANE. [illegible] **THE GREAT WALTZ** [illegible] "HUGELY ENJOYABLE." [illegible]

DUCHESS. [illegible] "The Dirtiest Show in Town" [illegible]

DUKE OF YORK'S. [illegible] **MICHAEL MACLIAMMOIR** [illegible]

FORTUNE. [illegible] GERALD [illegible] DURBRIDGE'S [illegible] **SUDDENLY AT HOME** [illegible]

GARRICK. [illegible] **BRIAN RIX ALFRED MARKS** [illegible] "DON'T JUST LIE THERE, SAY SOMETHING!" [illegible]

GLOBE. [illegible] **ALAN BADEL as KEAN** A Comedy by Jean Paul Sartre [illegible]

HAYMARKET. 930 9832. Evenings 8.0. Mats. Wed. 2.30. Sats. 5.0 and 8.15. ALEC GUINNESS, JEREMY BRETT in **A Voyage Round My Father** By JOHN MORTIMER.

HER MAJESTY'S. 930 6606. Previews from Sat. next. Evgs. 7.30. Opens Oct. 19 7.0. Subs. 7.30. Wed. & Sat. 2.30. HOWARD DANIELLE **KEEL & DARRIEUX** In a New Musical **AMBASSADOR**

LYRIC. 437 3686. 8.0. Sat. 5.30 8.30. Mats. Wed. 3.0 reduced prices. ROBERT MORLEY Mary MILLER and JAN HOLDEN in **HOW THE OTHER HALF LOVES** The new comedy by Alan Ayckbourn author of "Relatively Speaking" "VERY, VERY FUNNY." Standard. NOW IN ITS SECOND YEAR!

MAYFAIR. 629 3036. 8.15. Sat. 6.15. 8.45. GEORGE COLE in the BEST COMEDY OF THE YEAR, Evg. St. Award. **THE PHILANTHROPIST** by Christopher Hampton. BEST PLAY OF THE YEAR, Plays and Players Award.

MERMAID. 248 7656. Rest. 248 2835. Evenings 8.0. Mat. Th. and Sat. 3.0. **OTHELLO**

THE NATIONAL THEATRE
NEW THEATRE. 836 3878. Evgs. 7.30. Mat. Thur. and Sat. at 3. Until Sat.: **THE RULES OF THE GAME** "Paul Scofield—a masterly performance" Oct. 12 to 18: TYGER. "A real celebration—will be the talk of the town" **OLD VIC.** 928 7616. Evgs. 7.30. Mat. Thur. & Sat. 2.15 until Sat.: **THE NATIONAL HEALTH** "Stingingly funny." Oct. 12 to 18: A WOMAN KILLED WITH KINDNESS. Reduced price Mat. Thurs. Seats available, book now

PALACE. 437 6834. Mon. to Thur. 8.0. Fri. and Sat. 5.30 and 8.30 2nd YEAR. **DANNY LA RUE** AT THE PALACE WITH ROY HUDD

PALLADIUM. 437 7373 Ntly. 6.15, 8.45. Matinee Sat. 2.40 "To See Such Fun" TOMMY COOPER, CLIVE DUNN, ANITA HARRIS, RUSS CONWAY October 11 for 3 weeks THE CLIFF RICHARD SHOW Nov. 1 for 2 weeks VAL DOONICAN Dec. 21 CINDERELLA. Now Booking.

PHOENIX. 836 8611. Mon. to Thurs. 8.0. Fri. and Sat. 5.15 (25p-140p) and 8.30 4th Year of London's Longest running MUSICAL **CANTERBURY TALES** "A GREAT NIGHT OUT." Daily Mirror.

PICCADILLY. 437 4506. Evgs. at 7.45. Mat. Wed. and Sat. 2.30 July Parht, Margaret Tyzack **VIVAT! VIVAT REGINA!** by Robert Bolt. With MARK DIGNAM

PRINCE OF WALES. 930 8681. Evs. 8.0. Fri. and Sat. 6.10 and 8.45. Return of **ERIC SYKES JIMMY EDWARDS** BIG BAD MOUSE I NEVER STOPPED LAUGHING. E.N.

QUEEN'S. 734 1166. Evenings 8.0 Thur. and Sat. 6.0 and 8.45. "WARREN MITCHELL IS FRANTICALLY FUNNY." N. of W. [illegible] **KENNETH MORE** [illegible]

ROUNDHOUSE. [illegible] "A REVOLUTIONARY EVENT." Guardian

ROYAL COURT. [illegible] HARRY ANDREWS in EDWARD BOND'S **LEAR**

ROYALTY. [illegible] **OH! CALCUTTA!** [illegible]

SADLER'S WELLS THEATRE. [illegible] **UNDER MILK WOOD**

SAVOY. [illegible] **THE SECRETARY BIRD**

SHAFTESBURY THEATRE. [illegible] **"HAIR"** [illegible]

SHAW THEATRE. [illegible] **THE SAMARITAN** [illegible]

ST. MARTIN'S. [illegible] **SLEUTH** [illegible]

STRAND. 836 2660. 8.0 Sats 5.45 & 8.30 Mats. Thur. 3.0. Reduced prices MICHAEL CRAWFORD LINDA THORSON TONY VALENTINE & EVELYN LAYE **"No Sex Please, We're British"** "HYSTERICALLY FUNNY." S. Times

TALK OF THE TOWN. 734 5051. Full Air Con 8.15. Dng & Dncg. 9.30 Rev. TONIGHT'S THE NIGHT and at 11 p.m. **VINCE HILL**

VAUDEVILLE. 836 9988. Evgs 8. Mat. Tues. 2.45. Sat. 5 and 8. MOIRA LISTER, TONY BRITTON, LANA MORRIS, TERENCE ALEXANDER AND CICELY COURTNEIDGE **MOVE OVER MRS. MARKHAM** "LAUGHTER HIT of the Year, never stopped laughing."—People

VICTORIA PALACE. 834 1317 Nightly at 6.15 and 8.45 £100,000 Spectacular Production THE BLACK AND WHITE MINSTREL SHOW **MAGIC OF THE MINSTRELS**

WHITEHALL. 930 6692-7765. London's Theatre of Adult Entertainment. Mon. Tu. Thurs. Fri. 8.30. Wd. 6.15, 8.45. St. 7.30 & 10. London's Controversial Sex Comedy **PYJAMA TOPS** THIRD FANTASTIC YEAR

WYNDHAM'S. 836 3028. Mon. to Fri. 7.45. Sat. 5 and 8.15. Mat. Thur. 2.45 CORIN REDGRAVE, CIARAN MADDEN **ABELARD & HELOISE** "Ronald Millar's very fine play." Sunday Times. "A vivid mindstretching experience." Daily Telegraph.

YOUNG VIC (by Old Vic). 928 7616 8.0 Little Malcolm & . . . the Eunuchs

CINEMAS

ABC 1 and ABC 2, Shaftesbury Avenue 836 8861. Now in both theatres. THE GO-BETWEEN (AA) 2, 5 & 8 p.m. Bookable. Late show Fri. & Sat. 11 p.m.

ASTORIA. Char. X Rd. (580 9562) THE GREAT BATTLE (A) 70mm. Sep. progs. 2.30, 8.0. Bookable.

CARLTON. 930 3711. WILLARD (X) Progs. 1.5, 3.0, 5.30, 8.5 (WILLARD starts at 1.20, 3.50, 6.25, 9.0). Late Shows Fri. and Sat. 11.15 p.m.

COLUMBIA (734 5414) Monty Python's "AND NOW FOR SOMETHING COMPLETELY DIFFERENT" (AA) Col. cont. progs. 1.30, 3.10, 5.40, 8.10. Late show Fri. and Sat. 11.00.

CURZON. Curzon St. 499 3737. Last days. Louis Malle's DEAREST LOVE (X) Daily 1.40, 4.00, 6.20, 8.40.

DOMINION. Tottenham Court Road (580 9562) Oliver! (U). Sep. progs. 2.30, 8.0. Bkble. Now booking! Fiddler on the Roof (U). Opens Dec. 10.

EMPIRE. Leic. Square. (437 1234.) David Lean's RYAN'S DAUGHTER (AA) at 2.25 & 7.25. Late Sat. 11.30. Bookable.

LEICESTER Square Theatre. (930 5252.) Mike Nichols, Jack Nicholson, Candice Bergen, Arthur Garfunkel Ann-Margret and Jules Feiffer CARNAL KNOWLEDGE (X). Colour Cont. progs. 11.45 a.m., 1.35 p.m., 3.55 p.m., 6.10 p.m., 8.30 p.m. Suns 3.55 p.m., 6.10 p.m., 8.30 p.m. Late show Fri. & Sat. 11.15. Royal Circle seats may be booked in advance

ODEON, Haymarket. [illegible] THE MUSIC LOVERS (X) [illegible]

ODEON, Leicester Square. [illegible]

ODEON, Marble Arch. [illegible]

PARAMOUNT, Regent Street. [illegible] THE DESERTER [illegible]

PLAZA, Regent Street. [illegible]

PRINCE CHARLES, Leic. Sq. [illegible]

RIALTO. [illegible]

WARNER RENDEZVOUS, Leic. Sq. [illegible]

WARNER WEST END. Leic. Sq. [illegible] KLUTE (X) [illegible]

Farming and Raw Materials

Dock strike hits U.S. farm sales

CHICAGO, Oct. 6.

THE crippling effect of the West Coast dock strike on farm income in terms of lost exports was cited here by Kenneth E. Frick, administrator of the USDA's agricultural stabilisation and conservation service.

Mr. Frick said: "Wheat is piled on the ground in the Pacific North-West because it can't be shipped to our customers overseas, and there's no place to store it.

"Our agricultural attache in Tokyo estimates that just during two weeks in July we lost over $7m. in agricultural export sales to Japan. Even after the strike is over, we expect our farm exports will be saddled with *higher* transportation costs because of the proposed wage increase for dock workers.

"In addition, Japanese millers will have adjusted their milling machinery for other countries' wheat and it will be tough to get *those markets back*."

● A warning that the U.S. 10 per cent. surcharge on imports is likely to affect world agricultural trade adversely was given this week by Dr. Eric Ojala, FAO assistant director general.

Meanwhile, in Washington yesterday, President Nixon sought court orders to get striking dockers back to work on the U.S. West Coast and at the Great Lakes port of Chicago. But the White House said the President *had decided for the time being* not to seek a court order under the Taft-Hartley law forcing a return to work by dockers on the East and Gulf coasts, in the hope that in their case a negotiated settlement could still be reached.

Iran sugar output up

TEHERAN, Oct. 6.

IRANIAN sugar output this year is estimated at 600,000 tons, Iran Press reports. This compares with 560,000 tons last year.

Beet sugar output is estimated at 540,000 (500,000) tons from about 4m. (3.75m.) tons of beet. Sugar output from cane is estimated at an unchanged 60,000 tons.

The Government will need to import between 40,000 and 50,000 tons of sugar this year to make up the deficit

Reuter

New moves to tackle Dutch elm disease

BY GODFREY BROWN

NEW MOVES to control the spread of Dutch elm disease were announced by the Forestry Commission yesterday. They follow a survey by the Commission which shows that of the 18m. elms south of a line from Birmingham to the Wash, 4 per cent. are dying or dead, and a further 9 per cent. have slight to moderate infection.

The Commission is using its powers under the 1967 Plant Health Act to make an order enabling local authorities to enforce control measures. Mr. James Prior, Minister of Agriculture, yesterday approved the draft order, which will give local authorities power to inspect trees in their areas and require the felling or lopping of badly affected trees at the owners' expense. The local authorities will also have power to undertake the felling themselves where this is appropriate.

Great concern

The Commission is prepared to pay up to £250,000 towards the administration expenses of the local authorities that accept the new powers now being offered.

Mr. Prior said yesterday he viewed with great concern the spread of the disease and was sure the authorities in the areas most at risk would quickly avail themselves of the powers offered. But he would authorise the Commission to extend the powers to other local authorities in the affected areas if this should become necessary.

The Commission pointed out yesterday the need to identify affected trees before the leaves fall, so that they could be identified for felling during the winter. No felling licence is required for dead trees.

The Commission's survey showed that 580,000 trees are in the category of dying or recently dead and, unless destroyed, would be a source of infection next year. Of these, 106,000 were in urban areas—streets, gardens and parks—392,000 in hedgerows, and 82,000 in woodlands.

The worst affected counties are Essex, with 109,000 dead and dying trees, 6 per cent. of the elm population of the county. Gloucestershire 98,000 (8 per cent.). Worcestershire 77,000 (6 per cent.), Kent 66,000 (12 per cent.), Hampshire 57,000 (8 per cent.). Suffolk 42,000 (3 per cent.). Herefordshire 26,000 (12 per cent.), and Sussex 21,000 (4 per cent.).

On the cost of felling, the Commission believes that in rural areas at least it should in general be covered by the timber value of the trees, which is not affected by the disease. But the National Farmers' Union said last night this was "very doubtful in view of the anticipated heavy offerings to the mills." It estimated the cost of felling affected trees at £20m. The order would place a heavy and unfair burden on owners, particularly farmers. It called for compensation to cover the costs involved.

Financial assistance to people who suffered severe losses from felling trees at a time when they were difficult or impossible to market was also called for by Mr. George Howard, president of the Country Landowners' Association, in a letter to the Minister. Felling would be a costly and time-consuming business, he said.

Felling cost

"Many diseased trees stand in the gardens of people with neither the physical ability to do the work themselves, nor the means to employ others, even in the doubtful event of sufficient contractors being available," said Mr. Howard.

Mr. Rodney Whittaker, secretary of the Timber Growers' Organisation, thought farmers and landowners should be able to recover the cost of felling from the sale of the timber. To avoid flooding the market, they could store the timber until the market could absorb it.

"The important thing is to get the trees felled and get the bark off before next April, when the elm bark beetle starts to fly," he said. He put the cost of felling the badly diseased elms at £10-£20m.

'Keep wool support' call to Australia

BY OUR COMMODITIES STAFF

A PLEA to the Australian Wool Commission to hold firm and on no account withdraw its reserve price support at the auctions was made by Mr. J. A. Hunter, British Wool Federation president, in a special message issued yesterday, reports Reuter.

Mr. Hunter said any withdrawal of reserve price support would be disastrous in the *current market situation and urged* there should be stricter control over quantities to balance supply with demand and far more should be done to encourage a reduction in production. "Without this," he added, "price *control will produce a glut of stocks* in the future which it is unlikely will ever be sold.

"It is doubtful," Mr. Hunter continued, "whether even a significant price reduction would have the effect of reactivating demand.

"In these circumstances, it is a question of who holds the stocks. Your Government has decided that the Commission holds them when the trade will not buy them at prices higher than reserves.

"This decision, once made, should be held firm, he said. To change it now would be disastrous. It would have little effect on demand but a substantial effect on stock valuations—*and profitability—throughout the* wool growing and wool using industries."

Meanwhile, in Australia the Wool Commission was again a substantial buyer at the auctions in an effort to prevent a new slide in values. It bought 28 per cent. of the offerings at the Adelaide sale, 35 per cent. at Fremantle and 18 per cent. at Brisbane. There has been a general easing in wool values this week despite the Commission's efforts.

Farmers hit by rising cost of fertilisers

THE decline in farming profits and standards of the sixties could only be put right by the grass-break and the grazing animal, said Mr. H. Plumb, president of the National Farmers' Union, at the Fertiliser Manufacturers Association dinner in London last night.

"We can and should produce more beef and more sheep and more milk from grass," he declared.

"That can only mean a bigger and growing demand for fertilisers to produce the grass to grow the animals that will put the heart back into the land."

Referring to the "explosion of prices" for fertilisers in the last 12 months, Mr. Plumb said that a farmer who bought 60 tons of varying mixtures of the three main nutrients in July last year, and the same amount of the same mixtures in July this year, got bills that went up from £1,410 to £1,881—an increase of over 33 per cent.

That increase, of course, reflected not only the increase in teh price of fertilisers bought by the farmer, but also the effect of the termination of the special fertiliser grant last March. But the combined effect on farms was to increase costs of winter wheat growing, for example, by £1.40 an acre; of potatoes by £3.33 an acre; and of sugar beet by £2.45 an acre; and this omitted the higher livestock costs.

'Realistic' price for aluminium

By John Edwards

A NEW "realistic" price for aluminium ingots in the U.S. was announced yesterday by Consolidated Aluminium Corporation, a subsidiary of Alussuise, of Switzerland. Its published price for primary ingots is now being quoted at 23 cents a lb—6 cents below the official price quoted by the major U.S. aluminium producers.

Two weeks ago Consolidated Aluminium withdrew its published price of 29 cents describing the industry list price of 29 cents as "completely fictitious." It said then that it would "float" its price until a "realistic" level was determined to reflect prevailing market conditions with available supplies greatly exceeding current demand. The 23 cents a lb (equivalent to £203.6 a metric ton at the current exchange rate of $2.49 to £) is the result.

In fact it has long been recognised that the official producer prices in the U.S. of 29 cents a lb, and in the U.K. of £257.2 a metric ton (28 cents a lb. at the $2.40 rate) are being heavily discounted in both countries.

In Britain it is freely admitted that most business is being done at £206 a ton or below, even down to the London free market levels of £160-£165 a ton.

U.S. silver "floor" level confirmed

By Our Commodities Staff

SILVER prices steadied yesterday following the U.S. Treasury confirmation that it was prepared to buy newly-mined output at $1.25 an ounce, thus creating a "floor" level to limit profits made by "short" sellers.

However, the U.S. Treasury confirmed later that its support buying mechanism for silver, contained within the Coinage Act of 1965, will only apply to domestically mined metal or that produced by the agents of U.S. mines. It is empowered to sell any purchases made back to the market at a minimum of $1.29 cents an ounce.

U.S. domestic mine output of silver is some 40m. ounces a year, *but large quantities of* silver from Mexico and Canada are processed by U.S. smelters.

London bullion brokers put the spot quotation in the morning up by 0.3 to 53.9 an ounce, but there was a generally nervous undertone.

World DDT consumption cut by a half

BY OUR COMMODITIES STAFF

WORLD usage of DDT has nearly *halved from the peak* levels of seven years ago, the British Pest Control Association's conference at St. Helier, Jersey, was told yesterday.

Dr. R. A. E. Galley, a consultant to the World Health Organisation, said world usage of DDT had now dropped to between 200,000 and 250,000 tons a year, against a peak of 400,000 tons seven years ago.

He said the DDT "scare" could be based partly on false analysis. Methods used by analytical chemists for detecting DDT were not necessarily foolproof: other natural substances could give the same analytical readings as DDT.

In one experiment, scientists claimed to have found traces of DDT in soil taken from a glass case in a museum, Dr. Galley said. What they did not know was that the soil was sealed up before DDT was introduced.

The amounts of DDT circulat*ing in rain and air which were* alarming some authorities were infinitely small. The amount in the air over London was about 10 micrograms per ton of air, he said. On a time scale, the equivalent would be about 10 seconds in 31,000 years. The ability to measure had become *confused* with the importance of the result.

Dr. Galley thought there was still justification in using DDT, but it should be controlled and not indiscriminate such as aerial crop spraying once common in the U.S.

"Pesticides are here to stay for man's benefit: future reviews will indicate how the present problems arising from their use will have been overcome," he declared.

Pesticide use

Dr. Galley, giving a world review of pesticide use, said the world pest control industry had grown from a value at end-user level of about £200m. in 1950 to *an estimated £1,500m. by the end* of this year.

The proportion of insecticides sold had fallen in relation to fungicides and herbicides. In the U.K., pesticide sales in 1969 (the latest year for which figures are *available*) amounted to £35.18m. of which 66.8 per cent. was herbicides. Insecticides accounted for 19.7 per cent., fungicides 9.9 per cent. and the rest was made up of rodenticides, nematocides and plant growth substances.

Another speaker, Mr. Denis Papworth, of the Ministry of Agriculture's infestation control laboratory, told the conference that the voluntary pesticides safety precautions scheme and the existing laws relating to the sale or use of poisonous substances provided adequate safeguards for pest control activities in the U.K.

He felt the safety record stood as a tribute to the voluntary scheme. The U.K. pattern of surveillance of pesticides through registration or clearance *procedures* provided a flexible and scientific evaluation, and had given an enviable record of safety.

"It is to be hoped that the rigid, solely political or emotive line can be kept in the background," he said. "The last things we need are sudden bans imposed arbitrarily by the forces of an emotional lobby, quickly followed by relaxations when the scientific or pest control problems are subsequently evaluated."

Mr. Papworth pointed out that the first report of the Royal Commission on Environmental Pollution earlier this year showed that pesticides were not of high priority against the background of general pollution

Coffee rust spreads in Brazil

BY OUR COMMODITIES STAFF

BRAZIL'S efforts to contain the spread of coffee rust disease have suffered a further setback. It was revealed in Rio de Janeiro yesterday that the disease has been confirmed *in the major growing area of North Parana.*

In a statement, Sr. Mario Penteado, president of the Brazil Coffee Institute, said that with the coming of summer and the humid heat which is ideal for leaf rust propagation, new incidences of *blight would* undoubtedly occur in Parana, reports Reuter.

Aerial tracking had long indicated the rust would eventually reach the area, and there was no need for panic, the statement said. The IBC had concluded the fungus was here to stay, and must be lived with. This had been provided for in the new coffee crop plans.

"The arsenal of control weapons available is such as to guarantee to Brazilian coffee planters satisfactory profitability," Sr. Penteado said.

Coffee rust disease was responsible for wiping out Ceylon's coffee industry in the nineteenth century. To-day, it is endemic in certain coffee regions of Africa, but had never been seen in Latin America until its discovery in Brazil in January last year in the State of Bahia, among cocoa plantations.

Subsequent surveys showed it to be prevalent throughout the State of Espirito Santo, much of Rio de Janeiro and Minas Gerais from where it has spread to the major coffee growing states of Sao Paulo and now *Parana*, despite attempts to isolate and eradicate centres of infection.

Resistant strains

As a result efforts are now being centred on teaching Brazilian growers to learn to live with the disease. In a recent warning, Dr. Felix Albani, director of the UN Food and Agriculture Organisation's plant production and protection division, said: "Unless Brazilian coffee growers learn to cope effectively with coffee rust, production *could* be drastically affected.

"Furthermore, unless neighbouring countries take immediate action to prevent the introduction of coffee rust, the disease could affect all coffee producing countries in Latin America."

A group of specialists in the field of plant pathology, plant quarantine, coffee agronomy, plant breeding and agro-meteorology has been commissioned by Dr. Albini to devise an overall strategy for action "to save Latin America's coffee economy."

In Brazil, it has been mainly a matter of accelerating local research and control activities by bringing in specialised knowledge from countries with long experience of the disease, and helping with the development of resistant strains.

In other coffee producing countries, the FAO strategy has been to strengthen plant quarantine services and introduce programmes designed for the early detection and eradication of rust.

Dr. Albini said he believed that if, in addition, training and information services could be expanded, and quarantine programmes with minimum delay, the further spread of the disease in the Western Hemisphere could be checked, and, as a side-effect, coffee production would improve.

Chile penalises state company

SANTIAGO, Oct. 6.

CHILE has decided that "excess profits" to be figured in compensating Anaconda and Kennecott for their nationalised copper mine properties should also be applied to the state-owned copper *concern, Codelco*

The decision to include Codelco's shares in he excess profits is not expected to make much difference in the compensation. Anaconda and Kennecott may receive from their properties, copper industry sources said.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Gained ground on the London Metal Exchange, although prices closed below the day's highest levels. Initial firmness was imparted to the market by the South African-Zambian border *incident which in turn sparked* off consumer and hedge buying and short covering. After touching £421, however, forward metal eased back on lack of follow through and profit-taking to close at £416 on the late Kerb. Turnover 12,950 metric tons, including carries.

Henry Gardner and Co. reported that in the morning cash wirebars traded at £411, £411.5, mid-Oct. £413, late Dec. £412.5 to £419, early Jan. £413.5, three months £413 to £421 to £419.5. Kerb: *Wirebars: cash £410, mid-Oct. £412, three* months £418.5 to £416.5 to £418, £417.5. Cathodes: cash £401.5, three months £408.3, £408, £408.5. Afternoon: Wirebars: cash £408, mid-Oct. £410, early Dec. £415, 14.5, late Dec. £417, 15, three months £417 to 15.5. Kerb: cash £408.5, late Oct. £410.5, late Dec. £415.5, three months £416, 16.5, 16. Cathodes: three months £405.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Wirebars				
Cash	412-.5	+8.5	407.5-8	+5.5
3 months	419.5-20	+9	415.5-6	+5.5
Settlem't	412.5	+8.5	—	......
Cathodes				
Cash	401.5	+6.5	397-8	+4.25
3 months	408.5-9	+6.75	405-.5	+5
Settlem't	401.5	+6.5	—	......
U.S.Smt	—	......	52.75-53	......

TIN—Little changed. Buying of cash metal in early trading, felt in some *quarters to be on behalf of the buffer* stock manager, held prices steady. Turnover 8,405 tons.

Morning: cash £1,398 to £1,400, three months £1,407 to 05, 06, 07. Afternoon: cash £1,399, three months £1,407. Kerb: cash £1,400, three months £1,407.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	1399-1401	—3.5	1400-1	......
3 months	1406-7	—3	1407-8	—1
S'ment	1401	—3	—	......
Straits E.	1429-30	—.25	—	......
New York	-	......	*166.50	—¼

LEAD—Turned upwards, especially for cash where heavy borrowing of metal rallied the price and narrowed the contango. Speculative buying and some short covering were also noted. Turnover, 8,405 tons.

Morning: three months £92.5 to £92 to £92.5. Kerb: early Dec. £91.75, three months £92.5. Afternoon: cash £90, £90.5, early Jan. £92.5, three months £92.5, 92.75. Kerb: three months £93.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	90-.5	+1.25	90.25-.75	+2.25
3 months	92.25-.5	+.25	92.75-3	+1.5
S'ment	90.5	+1.25	—	......
N.Y. Spot	-	......	*14-14½	......

ZINC—Rallied. Fresh U.K. and Conti*nental consumer demand coupled with the* firmer trend in copper and lead took prices higher. Turnover 2,730 tons.

Morning: cash £126, three months £128.25, £128.5. Afternoon: cash £126.5, late Nov. £128, three months £129.25 to £129.75. Kerb: three months £130.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	126-.25	+1	127.25	+2
3 months	128.5-.75	+.5	129.75-30	+2
S'ment	126.25	+1	—	......
E.St.Louis	—	......	17.00	......

* Cents per lb. † On previous unofficial close.

SILVER

Silver was fixed 0.3p an ounce higher in the London bullion market for spot delivery, at 53.9p. The three-month and six-month premiums also gained 0.3p. A moderate business was reported with spot price ending at about the fixing level.

SILVER per troy oz.	bullion fixing selling price	+ or —	LME close	+ or —
Spot	53.9p	+0.3	53.75p	......
3 months	54.7p	+0.3	54.65p	—0.1
6 months	55.5p	+0.3	......	......
7 months	......	......	55.85p	+0.05
12 months	57.6p	+0.4	......	......

LME—Turnover 221 (233) lots of 10,000 ozs. Morning: Early-Oct. 53.5p, Early-Nov. 54p. Three months 54.5p, 54.6p, 54.5p, 54.9p, 54.8p, 54.9p. Afternoon: Late-Oct. 54p. Three months 54.8p, 54.7p, 54.6p. Kerb: Cash 53.8p. Three months 54.6p.

COTTON

LONDON FUTURES—Unchanged, reports Eccles and Stern. Oct., Dec., March and May 30.40-30.80 new pence per kilo (unchanged). July unquoted. Turnover 0 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch. Pressley 78,000 lbs square inch micronaire 3.5-4.9.

LIVERPOOL—Spot and shipment sales amounted to 1,204 metric tons bringing the total for the week to 2,249 tons, reports F. W. Tattersall. With problems still *posed by the American dock strike, most* interest centred on alternative supplies chiefly from Middle East and African sources.

COCONUT OIL

Quiet and untraded, reports G. W. Joynson. Close: Nov.-Jan., March, May, July-Sept., Nov. £109-£119 (same). Turnover 0 (0) lots of 20 tons each. *Price basis ex-tank Rotterdam.*

FREIGHTS

DRY CARGO—Chartering was again slow pending developments in U.S. dock strike. A small steel slabs cargo was however fixed from Sault St. Marie to Hartlepools at $12 f.i.o. for Oct.-Nov. and Indian Government brokers covered a phosphate cargo from Aquaba to India at £2.17½ f.i.o. for Oct. Subject approval, a vessel was accepted for wheat from West Australia to India at £2.17½ f.d. for Oct. A rate of £3.87½ was firmly indicated for wheat from the Canadian Pacific to India and the same rate for wheat from the St. Lawrence to India. Brokers were prepared to consider bulk carriers and *tanker for this business, including Nov. positions.*

OIL TANKERS—Still quiet with a rather lower rate tendency in the Persian Gulf for large ships. Socal has taken three tankers from Persian Gulf to West—two 95,000-tonners on Oct. 9 and an 85,000-tonner in mid-Oct.—all at Worldscale 37½. In the Mediterranean, German charterers *fixed an 30,000-tonner from Mediterranean* to U.K. or Continent on Oct. 20 at W60. There is an increasing inquiry from independent charters for timecharter tonnage for up to three years.

COCOA

The tone was steady throughout the day with good sellers only emerging at the *levels reached at the close, reports Gill* and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No2Contract			
December	205.5-6.0	+2.5	203.0-7.0
March	209.5-10.0	+2.5	207.5-11.0
May	212.5-3.0	+2.5	210.5-4.5
July	215.0-6.5	+3.0	214.0-7.5
September	219.0-9.5	+3.0	227.0-21
December	224.5-5.0	+3.5	222.5-6.00
March	229.0-30.0	+4.0	238.0-30.0

Sales: 5,941 (11,426) lots of 5 tons each.

COFFEE

Futures reacted from the previous day's firm levels on lack of follow-through interest for actuals in London or New York. Also, the recent spate of nervous short-covering in near Nov. appeared to have finished and the market moved lower in thin dealings.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
November	364.0-4.5	—0.5	364.0-4.5
January	356.5-7.0	—1.0	356.5-8.0
March	352.0-2.5	—0.5	352.0-3.0
May	349.0-9.5	—1.0	349.0-9.5
July	346.0-6.5	—1.0	......
September	343.5-4.0	—0.5	343.0-4.5
November	340.5-1.0	—0.5	340.5-1.5

Sales: 141 (361) lots of 5 tons each.

Latest published ICO indicator prices U.S. cents per pound. Colombian Mild Arabicas 47.00 (same). Other Milds 42.54 (same). Unwashed Arabicas 42.50 (same). Robustas 41.82 (same). Daily average 43.03 (same).

RUBBER

LOWER at the opening, with fair covering orders at the *lower* levels, closing on an easier note. Lewis and Peat reported a godown price of 98 Malayan cents a kilo (buyer, October).

Contract	Previous Day's Business	12.45 p.m. Official prices	Closing buyers prices	rise or fall
C.I.F.	p	p	p	p
Oct.	not avail.	13.30-.50	13.25	—0.15
Nov.	not avail.	13.40-.60	13.35*	—0.1
Dec.	not avail.	13.60-.80	13.55	—0.1
Landed				
Spot	—	14.00-.05	14.00	—0.2
Nov.	—	14.65-.80	14.6	—0.2
Dec.	15.10	15.00-.15	14.95	—0.15
Jan.	—	15.20-.40	15.15	—0.15
Jan.-Mar.	15.60	15.50-.55	15.45	—0.15
Apr.-Jne.	16.20	16.15-.20	16.15	—0.1
July-Sept	16.90	16.75-.85	16.65	—0.25
Oct.-Dec.	—	17.35-.50	17.3	—0.15
Jan.-Mar.	17.85-.90	17.70-.85	17.65	—0.2
Apr.-Jne.	—	18.00-.15	17.95	—0.3
July-Sept	18.60	18.30-.40	18.25	—0.25
Oct.-Dec.	18.75	18.60-.75	18.55	—0.25
Jan./Mar.		18.80-19.00	18.75	—0.25

* Nominal.

Malayan thick crepe Oct. 17.5* (seller). Ceylon thick crepe Oct. 18.6 (seller).

SUNFLOWER OIL

Quiet and untraded, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or —	Business Done
	£'s a metric ton		
November	147.0-53.0	......	—
January	146.0-54.0	......	—
March	145.0-55.0	......	—
May	144.0-56.0	......	—
July	144.0-55.0	......	—
September	144.0-54.0	......	—
November	143.0-53.0	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

GRAINS

THE BALTIC—Lethargic trading conditions persisted throughout the market and there were no outstanding price movements.

Wheat: Canadian Western Red Spring No. 1 14 per cent. protein Oct. transhipment £30.80 seller East Coast. U.S. Hard Winter No. 2 13½ per cent. protein Oct. transhipment £28.70 seller East Coast. Australian f.a.q. Dec.-Jan. transhipment £27.00 seller free out Tilbury. French Oct.-Dec. £25.25 seller Levy Buyers Account.

Maize: No. 3 Yellow American Nov. £22.10 seller Tilbury.

MARK LANE—Average sellers' quotations per long ton for prompt delivery London area: Wheat—Soft milling £24.25-£24.75: Semi-hard unquoted: Hard £24.75-£25.25; Feed £24.00-£24.50. Barley—Malting £25.00-£30.00 as to quality; Feed £23.00-£23.50. Oats—Milling £20.50-£21.50; Feed £19.50-£20.50.

LONDON HOME GROWN FUTURES—Wheat, steady. Close: Nov. 23.600, Jan. 24.300, March 24.800, May 25.375. Business: Nov. 23.650, Jan. 24.350-24.300, March 24.850. Barley, steady. Close: Nov. 22.350, Jan. 23.200, March 23.950, May 24.700. Business: Nov. 22.350, Jan. 23.250-23.200, March 24.000, May 24.750-24.700.

HGCA—Average ex-farm forward prices for week ending October 6. Soft milling wheat. Dec. delivery—S.E. £24.50, S.W. £24.70, East £24.10, E. Midlands £24.50, W. Midlands £24.30, N.E. £24.70, N.W. £24.30, Scotland £24.55, U.K. £24.40. Jan. delivery—S.E. £24.60, S.W. £24.85, East £24.60, E. Midlands £24.85, W. Midlands £24.85, Scotland £25.10, U.K. £24.70.

Feeding barley. Dec. delivery—S.E. £23.10, S.W. £24.00, East £22.90, E. Midlands £23.00, W. Midlands £23.35, N.E. £22.90, N.W. £23.40, Scotland £23.40, U.K. £23.25. Jan. delivery—S.E. £23.35, S.W. £24.30, *East £22.95, E. Midlands £23.40,* W. Midlands £24.15, N.E. £23.60, N.W. £23.50, Scotland £22.65, U.K. £23.15.

Location average ex-farm spot prices. Soft milling wheat—No prices. Feeding barley—Newbury £23.55, Perth £20.50, Swansea £22.25.

SOYABEAN OIL

Quiet, untraded, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or —	Business Done
	£'s a metric ton		
November	108.0-21.0	......	—
January	107.5-16.5	......	—
March	106.5-15.5	......	—
May	105.5-14.5	......	—
July	104.5-13.5	......	—
September	103.5-13.5	......	—
November	102.5-12.5	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUGAR

LONDON DAILY PRICE—Unchanged at £41.50 a ton c.i.f. for Oct.-Nov. shipment. Good buying in December, March and May brought gains of up to 25 points at the opening but buying did not continue after the call and prices quickly reverted to around kerb levels, reports C. Czarnikow. The market then remained within narrow limits until the close when higher New York advices brought a 15 point rise.

Sugar Pre. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	43.40-45	43.20-.25	43.20-.45
Dec.	44.90-.95	44.80-.8	44.80-45.10
Mar.	46.05-.10	45.80-.90	45.85-46.15
May	46.45-.55	46.20-.25	46.50-.55
Aug.	46.35-.40	46.15-.20	46.25-.45
Oct.	46.10-.15	45.85-.95	45.90-46.20
Dec.	46.05-.10	45.85-.90	45.90-46.05

Sales: 1,435 (1,893) lots of 50 tons each.

Tate and Lyle ex-refinery prices for granulated in 1-cwt paper sacks were £4,28½ (same) for home trade and £58.75 (same) per ton for export.

JUTE

DUNDEE—Prices steady but irregular. Offers c.i.f. U.K. for Oct.-Nov. shipment: PWB £154, PWC £144.50, PWD £137. Tossa: PTB £162.50, PTC £152, PTD £141. Calcutta goods steady. Quotations c. and f. U.K. for Oct. shipment: 10-ounce 40-inch £7.19, 7½-ounce £5.42 per 100 yards; Nov. £7.14 and £5.41; Dec. £7.08 and £5.39. "B" twills £17.99, £18.16 and £18.27 for the respective shipment periods. Yarns and cloths firm and a small but steady business.

LONDON—Quiet. PWC grade Sept.-Oct. £146.50 nominal. PWD grade Sept.-Oct. *£137.50 nominal. A long ton.*

CALCUTTA—Quiet. Indian spot Rs.350 value. Dundee Daisee spot Rs.325 value. A bale of 400 lbs.

WOOL FUTURES

(New pence per kilo)

Drycombed wooltops	Yesterday's Close	+ or —	Business Done
October	73.5-6.5	+0.25	—
December	76.0-7.0	+0.25	—
March	77.0-7.5	+0.6	—
May	77.0-7.5	+0.7	76.8
July	77.0-7.5	+0.45	-
October	77.7-8.0	+0.5	77.8-78.0
December	78.3-8.8	+0.1	78.4-8.8
March	78.5-9.0	—0.2	—

Turnover: 28 (25) lots of 2,250 kilos.

Greasy wool	Yesterday's Close	+ or —	Business Done
December	56.5-8.8	+0.15	—
March	55.0-6.0	+0.5	—
May	55.5-6.0	+0.6	—
July	55.0-6.8	+0.75	55.5
October	56.3-7.3	+1.05	—
December	56.3-7.3	+1.05	—
March	56.5-7.3	+1.05	—

Turnover 1 (1) lots of 3,000 kilos IWTO clear wool content ex-Flushing.

SYDNEY—Irregular. Close: Oct. 131.9-132.8, Dec. 132.2-132.5, March 133.7-133.9, May 134.7-134.8, July 134.8-134.9, Oct. 135.0-135.4, Dec. 135.5-135.7, March 135.4-135.6.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 17.0p to 20.0p, English hindquarters 20.8p to 21.5p, forequarters 13.5p to 14.0p, Ulster hindquarters 21.7p to 22.5p, forequarters 13.7p to 14.2p, Eire hindquarters 20.0p to 21.3p, forequartets 12.9p to 14.2p. Argentine chilled boneless cuts: strip loins 43.0p to 45.p, rumps 36.0p to 40.0p, top sides 30.0p to 32.5p, silversides 28.3p to 29.0p, thicks 27.5p to 28.3p.

Veal: English fats 27.5p to 32.0p, fats (high quality) 35.0p, bests 15.0p to 17.0p, mediums 13.0p to 14.0p, bobbies 9.2p to 11.7p, Scottish bobbies 8.3p to 10.8p, Dutch 37.5p to 45.0p.

Lamb: English medium 12.5p to 16.7p; *heavy 10.8p to 13.3p. Scottish medium* 12.5p to 15.8p, heavy 10.8p to 13.3p, hill 12.5p to 16.7p, Eire 11.7p to 13.3p, imported frozen N.Z. D's 13.2p to 14.4p, 2's 13.5p to 13.1p, 8's 11.4p to 12.3p, YL's 11.5p to 12.5p, YM's 11.8p to 13.5p.

Pork: English, under 100 lbs 10.4p to 15.8p, 100-120 lbs 10.8p to 14.6p, 120-160 lbs 11.0p to 13.3p, 160-180 lbs 10.6p to 11.3p, 180 lbs and over 10.0p to 10.8p.

Meat Commission average fatstock prices at representative markets yesterday: U.K.—cattle £11.61 per live cwt (+0.06 on previous week), sheep 18.3p per pound e.d.c.w. (+0.3), pigs £1.97 per score liveweight (+0.06). England and Wales—cattle numbers up 1.7 per cent. average £11.71 (+0.02), sheep numbers up 7.3 per cent. average 18.5p (+0.2), pig *numbers down 0.9 per cent. average £1.97* (+0.06).

COVENT GARDEN—Imported produce: Grapefruit—Honduras: 32 £2.80, 35 £3.00, 40/48 £3.10, 64 £2.90; Dominican: 35 £3.20; Argentinian: 40 £3.30, 48 £3.35, 64 £3.25. Oranges—Australian: 88/138 £3.00; Brazilian: £1.20-£1.30; South African: Valencia Lates £1.70-£1.90. Melons—Israeli: Ogen £1.00; Spanish: Yellow £0.50-£0.75, green £0.60-£0.70. Grapes—Belgian: Per pound, Royal £0.20; Italian: 11 lb Regina £0.40. Black £0.50; French: 10 lb Alphonse £0.85; Almeria: 11 lb £0.50-£0.60. Black £0.80. Pears—Italian: Per pound, Williams £0.07. Plums—Hungarian: 12 lb £2.10.

English produce: Cabbage—Nets £0.30-£0.40. Lettuce—Round 24's £0.40. Potatoes—£0.40-£0.80. Mushrooms—Per pound, £0.18-£0.20. Cucumbers—Per tray 12/18's £0.50-£1.00. Cauliflowers—12's £0.40-£0.80. Celery—20's £0.80, 25's £0.70. Beans—Per pound, stick £0.02-£0.03. Carrots—28-lb bag £0.20-£0.25. Beetroot—Per bag £0.25. Courgettes—Per pound, £0.06. Swedes—28 lb £0.20. Sprouts—28 lb £0.60-£0.70. Onions—Ware £0.40-£0.50. Picklers 56 lb £1.00. Apples—28/30 lb. Derby £0.50; 30 lb. Worcester £0.70-£1.20, Bramleys £0.60-£0.80, Cox's £0.70-£1.50, Russets £0.70-£1.00. Plums—Switzen £0.50-£0.60. Marjorie Seedling £1.00. Pears—Conference £0.08-£0.04. Tomatoes—Per 12 lb £0.90-£1.00. Parsnips—28 lb £0.30-£0.40.

★

GRIMSBY FISH—Moderate supply and fair demand. Prices per stone: Shelf cod £1.10-£1.50, large haddocks £1.40, medium plaice £1.50, codlings £1, catfish 90p.

★

COPRA—Philippines-Indonesian: Oct. $171, Nov. $172, Dec. $173, Jan. $184 resellers.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Oct. 6 1971	+ or —	Month ago
Metals			
Aluminium (a) (s)	£257.20	......	£257.2
Copper			
Cash Wire Bars (s)	£406.75	+5.5	£435.25
3 months do. do. (s)	£415.75	+5.5	£444.75
Cash Cathodes (s)	£397.5	+4.25	£425
3 months do. do.	£405.25	+5	£433
Gold ......Troy ozs.	$42.45	......	$41.60
Lead Cash (s)	£90.5	+2.25	£97.125
3 months (s)	£92.875	+1.5	£100.375
Nickel (s)	£1,346.5	......	£1,346.5
Platinum(β) troy oz.	£50	......	£50
Free market	£44-47	......	£44-47
Quicksilver (76lbs)	£212	......	£212
Silver Troy oz.	53.9p	+0.3	55.8p‡
3 months	54.7p	+0.3	56.8p
Tin Cash (s)	£1,400.5	......	£1,424
3 months (s)	£1,407.5	—1	£1,435.5
Wolfram 22.04lb cif	£79½-89½	......	£16.5-18
Zinc Cash (s)	£126.125	+2	£128.625
3 months (s)	£124.875	+2	£129.875
Producers (s)	£150	......	£150
Oils			
Coconut Malayan	†£135 (o	......	£137
Groundnuts			
0g	†£174 (z)	......	£186
Linseed Crude	†£101 (z)	......	£106.50
Palm, Malayan	†£101 (z)	—5	£118
Soyabean	†$256 (t)	......	1
Seeds			
Copra Philipp. ton	†$173 (z)	—5	$177
Gr'nuts, Niger'n.	†£94 (z)	......	£99
Linseed Can. No. 1	I	......	£46.50
Grains			
Barley			
Can No. 2	£20	......	......
Home Futures	£23.20	—0.05	£23.46
Maize			
No. 3 Yellow Am.	†£22.10 δ	......	£24.55
S.A. Yellow Flint	......	......	......
Wheat			
No. 1 Red Spring	£30.80 (s	......	£31.25
No. 2 Hard Winter	£28.70 (s	......	£29.10
Australian	£27	......	£27.50
English Milling	£24¼-5½	—¼	£24¼-5
Cocoa Shipmt (s)	£206.0	+5.50	£251
futures Mar.	£209.75	+2.5	£229.75
Coffee Shipment (c)	£38.00	......	£350
futures Jan.	£356.75	—1.0	£360
Cotton Liverpool cif index cents per lb.	36.10	......	35.85
Jute LJA PWC	*£146.50	......	£146.50
Rubber ......Kilo	14.0p	—0.2	13.85p
Sisal EA 3L (s)	£67	......	£82
Sugar	£42.50	......	£41.50
Wooltops 64s ...Kilo	85p	......	88p
Cloves (Madagascar)	£1,350 (p	......	£1,350
Pepper White ...ton	†£470 (p)	......	£450
" Black ...ton	†£385.0 (p	—2.5	£365

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Canadian delivered U.K. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative price f.o.b. Mombasa, U.S. cents a lb. d Pakistan white "C." to Ex-warehouse. x C.I.f. U.K. s Metric tons. o Oct.-Nov. o Nov.-Dec. p Sept.-Oct. z Jan.-Feb. u Dec. h Dec.-Jan. v Feb.-March. s Oct. t Nov.

INDICES

FINANCIAL TIMES

Oct. 6	Oct. 5	Month ago	Year ago
78.49	77.93	81.99	87.99

(Base, July 1, 1952=100)

REUTER'S

Oct. 6	Oct. 5	Month ago	Year ago
502.3	501.5	512.5	556.4

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Oct. 6	Oct. 5	Month ago	Year ago
Spot	138.83	138.31	141.41	146.85
Futures	141.06	140.19	142.61	144.83

(Average 1924-25-26=100)

MOODY'S

Moody's	Oct. 6	Oct. 5	Month ago	Year ago
Sple Commod'y	361.7	364.8	361.4	403.4

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, Oct. 6.

COCOA responded to a let-up in origin sales pressure which prompted Euro short-covering. Copper rallied with better physical demand reported. Covering prior to the crop estimate due on Friday and technical strength in the spot month firmed cotton. The soyabean complex gained anticipating the Taft Hartley injunction to open strike-bound U.S. ports. Failure to penetrate lows stimulated short-covering in corn, Bache reports.

Cocoa—Bahia spot 23 (22½). Ghana spot 25½ (25). Dec. 22.40 (21.90), March 22.85 (22.35), May 23.00, July 23.35, Sept. 23.65, Dec. 24.13. Sales, 992.

Coffee—Santos No. 2/3 unquoted (same). Santos No. 4 42.50 nom. (same). Colombian Mams 47.50 asked (same).

Copper—Oct. 46.65 (46.00), Dec. 47.20 (46.55), Jan. 47.30, March 47.70 settlements. Sales, 776 lots.

Cotton—Contract No. 1 Nov. 24.80 bid (same), Jan. 24.50 bid (same), April 23.00 nom., June 23.00 nom. Contract No. 2 Oct. 31.95-32.01 (31.42-31.60), Dec. 32.71-32.75 (32.34), March 33.60-33.61, May 33.81, July 33.73-33.78, Oct. 31.35-31.38, Dec. 30.38, March 31.65-32.15.

§§Cottonseed Oil—Oct. 15.25-15.45 (15.20-15.40). Dec. 14.80-15.00 (14.75-14.95), Jan. 14.80-15.00, March 14.80-15.00, May 14.85-15.05, July 14.90-15.10, Sept. 14.55-14.85, Oct. 14.40-14.85. Sales, nil.

♣Greasewool—Spot 5.15 nom. (same). Oct. 53.0-55.2 (53.2-55.5). Dec. 57.5-58.7 (58.0-59.0). March 63.5-63.2, May 64.0-65.0, July 65.0-65.5, Oct. 65.7-67.0, Dec. 66.3-67.6, March 67.4-68.0.

†Lard—Chicago loose 10½ nom. (10¼ asked), N.Y. drummed 13½ asked (same).

††Maize—Dec. 114¼-114½ (113¼-113½), March 119½-119¼ (118), May 122½-122¼, July 123½, Sept. 124½.

‡Mercury—Dec. 280 (same), March 280 (same), May 280, July 280, Sept. 280, Dec. 280, March 280 settlements. Sales, nil.

‡‡Silver—Spot 134.50 (135.20), Oct. 134.50 (133.10), Nov. 134.90 (133.60), Dec. 135.80, Jan. 136.80, March 138.70, May 140.70, July 142.70, Sept. 144.70, Dec. 147.60, Jan. 148.50 settlements. Sales, 1,977.

*Soyabeans—Nov. 310½-310¼ (307½-308), Jan. 313½-313¼ (311½-311¼), March 317¼, May 320½, July 321½, Aug. 316½, Sept. 300-299½.

♭Soyabean Meal—Oct. 79.75-79.85 (79.30), Nov. 80.10-80.15 (79.70), Dec. 80.85-80.90, Jan. 81.15, March 81.70-81.75, May 82.35, July 83.00, Aug. 82.60-82.75, Sept. 79.85-79.90.

Soyabean Oil—Oct. 12.34-12.31 (12.24-12.25), Nov. 12.25-12.28 (12.16-12.19), Dec. 12.15-12.12, Jan. 12.05, March 11.91-11.90, May 11.80, July 11.72-11.72, Aug. 11.60-11.62, Sept. 11.45-11.50.

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. N.Y. ‡ $'s per 76-lb flask ex-warehouse. § Cents per 56-lb bushel ex-warehouse. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. ‡‡ Cents per troy ounce ex-warehouse. b $'s per short ton f.o.b. cars Decatur. c Cents per 45-lb bushel. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. §§ Basis Lubbock, Texas. ♣ New contract.

BOLIVIA OFFERED AID FOR MINES

LA PAZ, (Bolivia), Oct. 6.

Yugoslavia and Czechoslovakia have offered credits to Bolivia's mining industry representing a potential investment of at least $100m., the Government announced here to-day.

Yugoslavia and Czechoslovakia in separate offers expressed interest in building smelters and refineries employing their own technology and in acquiring a large portion of the resulting production.

★

HIDES—London: Prices easier. Second clear ox 31-35.5 kilos 14.8p, 26-30.5 kilos 14.9p, 22-25.5 kilos 16.3p, cows 25.5 kilos and under 15.5p. First clear calf under 4 kilos, none offered.

† Withdrawn. * No bid.

Birmingham (Tuesday): Prices firm. Second clear ox 31-35.5 kilos 13.2p, 26-30.5 kilos 15.2p, 22-25.5 kilos 16.4p, cows 25.5 kilos and under 16.1p. First clear calf under 4 kilos, none offered.

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American News

North Slope ownership challenged

By Guy de Jonquieres

WASHINGTON, Oct. 6.

AN ALASKAN native group filed a suit to-day challenging the ownership of the Alaskan North Slope oil fields and seeking to invalidate the $913m. oil lease auction held in Anchorage in 1969.

The suit was filed at a Federal district court in Washington by the Arctic Slope Native Association. It named the Secretary of the Interior, Mr. Rogers Morton, and other federal officials.

Federal Government lawyers and the oil companies involved in the Alaskan project are studying the suit. While they have not yet determined its full implications, there is concern that lengthy legal proceedings could cause a further delay in the production of North Slope oil and the construction of an 800 mile pipeline to transport it to the port of Valdez, in the south of the State.

British Petroleum has a large stake in the Alaskan find. It holds leases on the North Slope fields at Prudhoe Bay, which contain proved recoverable reserves of 9,600m. barrels of crude and also has a major interest in Alyeska, the consortium formed to build the pipeline.

The essence of the native suit is to challenge the selection by the Alaskan State Government in 1964 of North Slope land and the tentative approval given by the Secretary of the Interior to this action.

The Alaskan State Government was acting under a law passed by Congress after Alaska gained statehood in 1948, which provides for the appropriation by the State of land hitherto held in custody by the Federal Government.

Conflict between the State Government and native Indians over the choice of land has already led to law suits, which, together with legal challenges by environmentalist groups, have resulted in delays in thecon struction of the pipeline.

Nixon economic bill approved by House of Representatives

WASHINGTON, Oct. 6.

THE HOUSE of Representatives to-day approved President Nixon's major economic reform Bill, cutting business and individual taxes by $25,600m. over three years. The tax package now goes to the Senate, where the finance committee will open hearings to-morrow.

President Nixon has asked Congress for swift action on the tax Bill to pump more spending power into the U.S. economy and, in turn, to control the unemployment rate.

As modified by the House Ways and Means Committee, the House generally approved more tax relief for individuals than requested by Mr. Nixon and somewhat less for business than was sought by the Administration.

According to the Committee's figures, the Bill would slice business and individual tax bills by $15,500m. in the 1971-73 period. But since the panel also endorsed the Administration's executive order in January liberalising business tax depreciation rules, House sources said the total tax cut in the Bill amounts to $25,600m. over the same three-year period.

The House approved the Bill on a voice vote, and no dissenting votes were heard. The House had debated the Bill yesterday and the vote came only two minutes after the debate resumed to-day.

Second phase

President Nixon is to announce the second phase of his economic programme in a nationwide television address to-morrow evening.

Mr. Nixon spent to-day conferring with his top advisers on the form of controls and other measures he will take to follow up the current wage-price freeze that ends on November 13.

The White House gave no advance word of the steps Mr. Nixon will announce to-morrow, but the President has already indicated that some controls on wages and prices will be maintained after the 90-day freeze. These controls will be directed chiefly against major industry, where price and wage rises do most damage to the fight against inflation.

Reuter

Record month for U.S. domestic car sales

BY JUREK MARTIN

NEW YORK, Oct. 6.

SPURRED ON by the freeze on prices and by the proposed repeal of the excise tax, U.S. car sales last month set all sorts of records as more than 755,000 domestically produced models were purchased.

For once, the increase in domestic sales—55 per cent. over September of last year—exceeded that in imports, which managed a 41 per cent. increase to 127,000 units, equivalent to 14.4 per cent. of the overall market.

Complications

However, there were a number of complicating factors at work last month which give the lie to any suggestion that the American demand for imported cars might be lessening. For a start, comparisons of sales with September of last year for domestic models are somewhat invalid for the obvious reasons that the long strike against General Motors began on September 15 last year, reducing sales for the month to a beggarly 488,000. A more meaningful comparison would be with September, 1969, when 709,000 U.S. made cars were sold.

Moreover, there was plenty of evidence that imported sales were hampered by the dock strike on the west coast. The inventory of foreign cars at many Californian dealers has dwindled to virtually nothing over the last three months. It is, therefore, no small testament to the resourcefulness of the foreign manufacturers that they still managed to record an impressive 41 per cent. sales increase over last year. Only a minority of the foreign cars sold here last month were subject to the increased import surcharge.

Of the individual car companies, General Motors, not surprisingly, racked up the biggest advance, selling 417,000 cars, 93 per cent. more than in the strike-affected month of September last year. Ford sales were up a much more modest 11 per cent. to 193,000, Chrysler's by 50 per cent. to 124,000 and American Motors' by 27 per cent. to 19,000.

CAB says outlook bleak for Pan Am

By Guy de Jonquieres

WASHINGTON, Oct. 6.

GROWING concern about the persistent financial difficulties of Pan American World Airways has prompted the Civil Aeronautics Board to take a close look at the airline's operations.

Mr. Secor Browne, the Chairman of the CAB, has ordered his staff to conduct a special study of Pan Am. It was also learned that Mr. Browne sent a memorandum to the White House last month drawing a somewhat bleak picture of the airline's prospects.

Mr. Browne suggested that Pan Am might reach a point where it would need some form of special relief. Among the possibilities he listed were a direct Government subsidy or a federal loan guarantee, perhaps along the lines of the $250m. warranty recently awarded to Lockheed.

Mr. Browne is understood to be keen to forewarn the CAB and the Administration in the event that Pan Am's financial situation deteriorates. The airline has incurred mounting losses in the last two years—$25m. in 1969 and $48m. last year. Little improvement is expected in 1971, indeed the losses may be even greater. The company lost $16.5m. during the first eight months, compared with $2.1m. for the same period last year, and is expected to suffer further during the last quarter of this year, which is usually slack.

Request

Further concern has been raised by the outbreak of a major price war in international air fares. Both Pan Am and Trans World Airlines have asked the CAB to intervene on their behalf, claiming that fare reductions would accentuate their financial problems.

Mr. Browne has given no indication of whether he will act on their request. But he is understood, to favour legislation now before the Senate Commerce Committee that would permit the CAB to suspend international air fares before they became effective. Last week, Pan Am and TWA announced that they had broken off their protracted merger talks. Mr. Browne has not indicated how he would view a merger proposal, though he is understood to have suggested in his White House memorandum that Pan Am might be given domestic routes inside the U.S. (which it does not have at present).

Another alternative he mentioned would be to eliminate some other U.S. airlines from competition with Pan Am on overseas routes.

TRINIDAD AND TOBAGO

The opposition will not play

BY DAVID RENWICK, PORT-OF-SPAIN CORRESPONDENT

DR. ERIC WILLIAMS, Prime Minister of Trinidad and Tobago and longest-serving contemporary Caribbean political leader, dropped what has been widely interpreted as a hint of his impending retirement from politics at the recent 13th annual convention of his People's National Movement party.

He told thousands of delegates and observers at the end of a speech which ranged, in characteristic Williams fashion, over the international scene and almost every local political issue, that, while he intended to do all he could to ensure that in the words of the party's motto "the PNM remains great and continues to prevail," the time was approaching when "in the words of a popular song, like a bridge over troubled water, I will lay me down."

If this were, indeed, a veiled indication of the Prime Minister's intention to leave the Caribbean political scene which he has dominated by a combination of brainpower and personality, it would be in keeping with his style to announce it at this time: last month was not only the anniversary of his birth (he was 60) but also that of his first victory at the polls in 1956, when the People's National Movement formed the first constitutionally - recognised ministerial government of Trinidad and Tobago.

Satisfied

Dr. Williams has been head of successive Trinidad and Tobago governments since then and both at home and abroad his name has become virtually synonymous with that of the country. Indeed, one of the criticisms of the opposition parties and pressure groups has been that the Prime Minister's involvement in almost every area of political activity tends to convey the appearance of one-man rule, or what is known pejoratively here as "Doctor politics."

It is fair to say that if Dr. Williams is, indeed, planning disengagement from local politics, he must be satisfied in his own mind that others are capable of exercising a steadying influence on the usually chaotic Trinidad and Tobago political and social environment.

The country had a bad shock last year when seven weeks of continuous demonstrations in the streets of Port-of-Spain and other urban centres, led by a group professing "black power" culminated in the imposition of a state of emergency, the introduction of political detention for the first time in this country since the Second World War, and a mutiny in the Trinidad and Tobago Regiment, 23 members of which are now serving varying terms in jail.

Pressure

Dr. Williams hoped for a resounding vote of confidence in his handling of last year's disturbances and in the PNM's competence to govern for a further five years at the General Election on May 24 this year. In one sense, he got it: his party won all 36 seats on offer, though neither of the possible alternative parties chose to enter the election, leaving only two minor paper parties to give the appearance of a contest. The Democratic Action Congress, led by Dr. Williams's former deputy, Mr. A. N. R. Robinson, and the Democratic Labour Party, led by Mr. Vernon Jamadar, the opposition leader in the last House of Representatives, both boycotted the poll, on the grounds that the election was not a fair one, that voting machines should not be used and that the voting age should be lowered to 18.

The low turn-out must have been a disappointment to the Prime Minister: 33 per cent. of the registered electorate voted, with a little over 28 per cent. supporting the PNM. The political arena has, thus, moved from the floor of the House to the street corner, public square or underground cell. It remains to be seen how this extra-parliamentary political pressure will be exercised and whether there will be a recurrence of last year's mass demonstrations when the Government decides to lift the ban on parades in Port-of-Spain which it had imposed to facilitate the sittings of the courts martial.

Dr. Williams had little control over the emergence of a *de facto* one-party House of Representatives. Trinidad and Tobago is a Western-style democracy and political parties are as entitled to withdraw from participation in elections as voters are to decline to exercise their constitutional right to vote.

He has shown, however, a willingness to be flexible and respond to realities and to what is obviously a fairly widespread feeling that the Trinidad and Tobago constitution, drawn up during the traditional consultations prior to independence in August, 1962, and praised by Colonial Office experts at the time as a model for emerging countries, could be revised and improved.

Complete

In the Speech from the Throne, following the assembly of the new parliament in June, Governor-General Sir Solomon Hochoy announced the establishment of an independent Constitution Reform Commission, headed by Sir Hugh Wooding, former Chief Justice of Trinidad and Tobago, first black judge to sit on the Judicial Committee of the Privy Council and Chancellor of the University of the West Indies.

The Commission is expected to take a year to complete its work and will then submit a draft constitution to the Government, which will act on the recommendations as it sees fit.

Its proposals will certainly include one for dealing with the unexpected (for Trinidad) situation of a single-party House. Indeed, it was this very fact that moved the Government to establish the Commission in the first place.

The framers of Trinidad and Tobago's constitution took it for granted that the Westminster two-party system would be perpetuated as a matter of course. Since the constitution specifically says that the Leader of the Opposition must be consulted on, for instance, the appointment of a certain number of members to the Senate, no opposition senators have, therefore, been able to be named. The convention since independence has been that the Chief Justice is chosen with the approval of the Opposition Leader, but no permanent appointment has been able to be made to that key office.

Dr. Williams repeated at his party's annual convention the undertaking he had made soon after the election this year: "To avoid any erosion of the principle of consultation with the Opposition, evolved at the independence conference in 1962, no substantive appointment will be made to any office requiring consultation so long as there is no Opposition in the House of Representatives—or at least until some satisfactory alternative formula that would ensure the protection and maintenance of the democratic process is found."

The seven independent Senators who represent special community interests in the Upper House are being pressed into service as a surrogate Opposition, by being chosen to head important Joint Committees of Parliament and being offered the first bite at new legislation.

Youth is being given a chance to influence Government thinking and Government measures by the operation of a Task Force on Youth. In another sensitive area in which an opposition might want to have its say, co-operation with the rest of the Caribbean, a Task Force on Caribbean Relations has been created.

The Prime Minister told members of his party, and the country at large, that, among the Government's objectives for the coming year, was the continuation of efforts to "encourage popular participation in the democratic process, to strengthen democratic procedures and to elicit the widest possible consensus for our policies."

It remains to be seen how the public responds to this vision. Meanwhile, the Opposition political parties have declined to indulge in popular participation in the democratic process: the Democratic Action Congress, Democratic Labour Party, United National Independence Party and most of the other minor parties have rejected any possibility of taking part in the municipal and county elections due on November 1.

POLICE ARREST FLQ SUSPECTS

By Our Own Correspondent

MONTREAL, Oct. 6.

Seven suspected members of the Front for the Liberation of Quebec, including a woman, were arrested in the city centre after a series of raids by Montreal and provincial police anti-terrorist squads. Police claimed they had broken an FLQ cell, and captured firearms.

Panama plans demonstration

BY OUR OWN CORRESPONDENT

PANAMA CITY, Oct. 6.

GENERAL Omar Torrijos, the ruler of Panama, is planning to spend $1m. in attracting 100,000 people to a massive demonstration of popular support on October 11, the third anniversary of the military coup which brought him to power. The demonstration will come at a time when a widening rift between Church and State is affecting his popularity and when he will be attempting to strengthen his hand in bargaining with the U.S. over a new Canal treaty.

Mass publicity has been organised, buses chartered to bring supporters to the capital where food and drink will be provided and there are plans to distribute 15,000 machetes each inscribed "Sovereignty or Death"—a reference to Panama's demand for complete sovereignty over the Canal Zone.

Export News

CONSTRUCTION

Work in hand at record levels

By Michael Cassell

OVERSEAS demand for the skills of the British construction industry continues at an encouragingly high level according to the Department of the Environment.

Statistics issued to-day show that U.K. building and civil engineering companies obtained new contracts estimated to be worth £311m. in the year ending March 31. Although this figure was below the peak of £341m. recorded in the previous year, it was still substantially higher than in *any other 12 month* period.

Even more significant was the value of work outstanding at the end of March, calculated to be worth £390m. against only £347m. at the same time last year.

The value of all overseas work actually carried out between March 1970 and March of this year was £274m., an increase of £54m. on the previous 12 months.

It appears that most of the orders are being won by companies already well established in the export field. The Department says that less than one dozen new companies entered overseas markets for the first *time during 1970-71 and all of* these were small.

Although British contractors seem to have been facing stiffer foreign competition and more difficult economic conditions in some markets, however, it is clear that there is a continuing and strong overseas demand for *British skills in the construction* sector generally.

The Department points out that not only is the value of work outstanding on foreign contracts higher than ever before but so also is the value of foreign currency being earned. It is estimated, in fact, that the British balance of payments benefited by about £80m. in the year ending in March from the overseas activities of the industry and its associated professions.

Areas in which the value of new contracts rose included Africa, where about £92m. worth of business was obtained compared with £53m. in the year before. In the Middle East, orders were valued at £57m. against £46m. in 1969-70.

THE BRITISH EXPORT BOARD

"Get something done"—Lord Rootes tells Govt.

BY DAVID CURRY, EXPORTS EDITOR

AN URGENT call for the Government to set up the British Export Board without delay has come from Lord Rootes. Speaking in San Francisco as chairman of the British National Export Council's U.S. Committee, Lord Rootes said that the Board should have been appointed when the proposal was made to replace BNEC with another body.

The decision to wind up BNEC was made in May. Since then nothing in detail has been released about the British Export Board. It is suggested that it will consist of a fairly small board of industrial leaders drawing on a Civil Service secretariat but allowing considerable independence to the promotional groups under its control.

Lord Rootes, commenting on the success of the British Week in San Francisco, now approaching its half-way point, said: "It is not too late (to set up the Board) but there must be action now. It is a great pity there has been a hiatus since the proposal was made."

He intended to raise the question of continuity of export effort and expertise with the Minister for Trade, Mr. Michael Noble, while the minister was in San Francisco.

Further British Weeks, he thought, should be on a selective basis. He did not advocate another U.S. Week in the near future.

Turning to the Nixon import restrictions he again rapped the job development credit as "a tax rebate for buying American and a violation of GATT." In effect, it was a 20 per cent. discrimination against imported goods. Lord Rootes was repeating the main arguments already put to the Americans by the British Government.

British companies in San Francisco are taking their first orders. The carpet consortium of Firth Carpets, A. F. Stoddard and Henry Widness Stewart has recorded orders worth $89,000.

The Warwickshire sports goods company A. W. Phillips has won a £16,000 order for tennis balls which will cause it to introduce a second shift and increase its work-force by 10 per cent. at its Nuneaton plant.

British bric-a-brac appears to *have taken Livingston's, the store* featuring it, by storm. It has reported that it has already sold out in Victorian chamber pots, and old hotel silver, wash basins and pitchers, cheese dishes, bed warmers tea pots and jam pots are selling like hot cakes (or muffins).

The store has spent £12,500 in buying British goods and £6,000 on a special British Week promotion. Apart from Victorian novelties it is offering womenswear, English prints, and real English four-o'clock tea.

Building codes in Germany

A COMPREHENSIVE list of the construction specifications and codes of practice used in the Federal Republic of Germany has been compiled by the THE—Technical Help to Exporters. It is published as Technical Digest 2506B, series 1, issue 1 *List of specifications and codes for exporters of buildings, building materials and components to the Federal Republic of Germany.*" In line with other building Digests, No. 2506 is being published in two parts and part A, dealing with general requirements such as technical regulations and procedures for approvals, will be published later.

Digest 2056B contains over 1,000 standards and codes.

EMI Electronics has won a £200,000 order to re-equip a Belgian television studio for colour broadcasting. The deal includes the first overseas order for the company's new 2005 three-tube cameras which will be installed at the Brussels studio of Belgium Radio Television's Flemish service. The camera seen above on set is equipped with an auto-centering unit which reduces channel set-up time as well as automatically and continuously maintaining centering.

The order is regarded as a significant "catch" at a time when European broadcasting networks are investing heavily in colour facilities.

MARKETING — BY PETER ZENTNER

Why Morgan has no interest in treatment

ONE company which has no intention of joining the car sales rat race is Britain's tiny Morgan Motor Car. It is a family concern run by Peter Morgan, son of the founder, it employs 100 people and makes just over a car a day or 430 to 450 cars a year.

In the words of D. J. Day, the sales director, "We could sell any quantity, quite likely 10,000 a year. Our problem is not selling cars but making them."

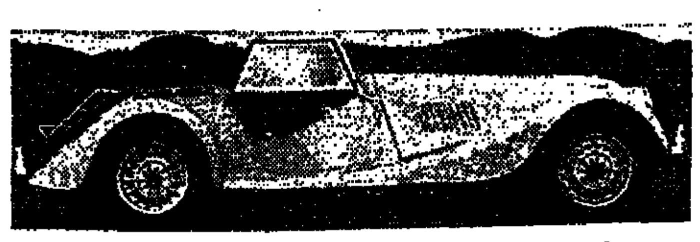
Although Morgan is keen to increase production and has plans to make up to 10 per cent. more cars next year, that would still leave it with a total of only 500 cars a year. If Morgan were not beset with the problems of their suppliers which last month, for example, had it hunting for alternative suppliers of batteries, it might even reach a four figure car production.

"It has no interest in building up sales in any real sense"

BUT since the product's appeal is hand-made individuality, the company have no intention of building up sales in any real sense.

Of total Morgan sales, about half go abroad. It does well in the U.S. and Japan: that means about 40 and 12 cars per annum respectively. But Europe is the best overseas market.

About two years ago, the company appointed an agent in Stuttgart to be responsible for sales in Southern Germany. For Merz and Pabst, a local dealer of high quality, second hand cars this was the first time in the new car trade.



The Morgan Plus 8—how to sell without even trying

As a launch exercise 18 months ago, Harald Merz, himself a Morgan driver, introduced the *car to the German motor magazine* Auto Motor und Sport. On May 9, 1970, the magazine brought out an eight-page story about it.

The result was a flood of inquiries by phone, letter and in person—300 in the first month alone, not only from Southern Germany but from foreign countries such as Czechoslovakia and Rumania.

"When the cars will be delivered is a matter for conjecture"

Without any more publicity, inquiries continue to come in. The result to date, in something over one year, is 68 firm orders. Actual delivery to customers is only eight cars. The others are working their way through the Morgan factory.

The originally agreed nine-month delivery period has had to be doubled to 18 months and, when the remaining 60 cars bought by German customers will be delivered, is a matter of conjecture.

"Plugging the 'jeep comfort' of the protest car"

The Morgan Plus 8 two seater, which sells in Germany at about £2,000 is certainly not cheap. I asked the manager, Mr. Opale what made the *car so attractive.* First he thought it an excellent product with superb craftsmanship. With its 3.5 litre Rover engine, it could reach a speed of 70 m.p.h. in 7½ seconds.

Second, it looked like a car out of the 20s and 30s. People bought it as a protest, to get away from the mass produced car which their neighbours had. They would never buy it as their only car—it is always the second or even third car in the family.

Merz and Pabst's sales pitch makes full play of the car's rudimentary qualities. They highlight the "jeep comfort." If a prospect is not put off by this, nor by the quoted 18 months delivery date, then the company knows it is speaking to a serious would-be purchaser.

"Remember, the bigger you are the harder you fall"

It is so encouraged by its Morgan success, that it has taken on the agency this summer for another British manufacturer—Aston Martin Lagonda. With its first Aston Martin in the showroom and a feature about it in Auto Motor und Sport, Merz and Pabst are waiting for a new flood of inquiries.

But as for the Morgan Motor Car, its philosophy is to satisfy the individualist, whether in Germany, Britain or elsewhere. Mass production would merely bring the company into a different market in which they have no wish to compete. This may surprise some people. American car executives in particular but, as Morgan puts it. "We are virtually impregnable. We are in a unique situation, there is such a demand for our cars. And remember, the bigger you are, the harder you fall."

LICENSING—JAPAN

Benson and Hedges local manufacture

BRITISH-AMERICAN TOBACCO, has revealed that negotiations are in progress for Benson and Hedges Special Filter cigarettes to be manufactured under licence in Japan by the Japanese Monopoly Corporation.

If licensing arrangements now under discussion in Tokyo reach a successful conclusion, this will be the first time a British brand of cigarettes has been made by the Corporation. Special machinery to make them will be imported from Molins of London.

Benson and Hedges Special Filter is claimed to be the fastest growing virginia filter king size *cigarette in the world.* In the U.K. it is the biggest selling king size cigarette and in Australia it has the highest sales of any brand on the market.

Japan is rated as a sophisticated cigarette market, where 90 per cent. of cigarettes smoked have filters. In 1970 the Japanese *smoked over 225,000m. cigarettes,* twice as many as in 1960.

Smith and Nephew Associated Companies and Toray Industries Incorporated, of Tokyo, announce an agreement under which Toray are granted exclusive rights in Japan to manufacture and sell the Smith and Nephew product known as Net 909.

Net 909 is a range of plastic nets with applications in a number of fields, including surgical and hygiene products, fusible interlinings for the clothing industry and in cheese manufacturing and horticulture.

The product has already been licensed to Hercules Incorporated in respect of the U.S., and the Staflex Organisation for the Common Market countries.

Toray Industries Inc. is one of the five largest manufacturers of synthetic fibres in the world and is diversifying its activities *into the plastics, organic chemi*cals and medical fields.

LICENSING—U.S.

Double for Koch-Light's rare chemical products

KOCH-LIGHT LABORATORIES developers of specialised chemical products, has signed new agreements with two major U.S. chemical companies.

The Aldrich Chemical Co. Inc. of Milwaukee now has exclusive selling rights in the U.S. for Koch-Light's complete range of Enzacryl products. These are recently developed polyacrylamide derivatives used for enzyme insolubilisation. The British company has pioneered the use of this type of hydrophilic copolymer in improving, accelerating, and reducing costs of enzyme research.

Research Products International Corp. of Illinois has similarly signed an agreement which gives it the selling rights in the U.S. and Canada for Koch-Light's liquid scintillator and scintillation chemical products. Koch-Light's is Europe's largest manufacturer of liquid scintillators and chemicals, which are used in equipment recording amounts of radio-activity. They are becoming increasingly important in medical diagnostic research, and many other areas.

THE THIRD WORLD

Market surveys from ITC

FIVE new market surveys have been issued by the International Trade Centre for developing countries. Available in English, with French and Spanish editions to follow, the surveys can be obtained free of charge by developing country governments, trade associations and exporters on request to the ITC. They include: *Markets for Onyx Marble and Hard Stones*—This 120-page study has been carried out by ITC analysts in France, Italy, Germany, Sweden, Switzerland, the U.K. and the U.S. The survey is concerned primarily with providing market and marketing information to developing country exporters on the possibilities for expanding their sales of articles made from unworked stones, such as ashtrays, cigarette boxes, tables and figurines.

The Market for Veneer and Plywood in the U.K., Germany, France, Italy, Netherlands and Austria provides an overall review of the market situation; a quantitative analysis of home production, apparent consumption, and foreign trade statistics; and a qualitative analysis with a description of the market and the kinds of veneer and plywood and qualities in demand. On the supply side, each country report covers trade regulations, channels and mechanisms, prices and trade promotion.

A similar study has been prepared on parquet flooring.

In its series of export promotion techniques handbooks for developing countries, the International Trade Centre has issued four new bibliographies designed to assist developing countries in building up trade documentation centres.

Annotated Bibliography on the Finance of International Trade, Export Credit and Export Credit Insurance, and Fiscal and Financial Export Incentives covers publications with world-wide or regional coverage, and those covering a single country. The bibliography includes general *works on export promotion* that contain sections or chapters on export finance or export incentives.

Annotated Bibliography on Free Ports and Free Trade Zones deals with publications dealing with the nature, development and economics of free ports and *zones.*

Annotated Directory of National and Regional Trade and Economic Journals lists journals which deal with commercial, industrial or economic matters.

Annotated Bibliography on Trade Fairs and Exhibitions lists handbooks, manuals and articles that deal with problems of fair participation and organisation. It also lists periodicals, directories and calendars that give information concerning upcoming fairs and exhibitions on a national or international basis.

IN BRIEF

Abel Systems, Birmingham-based distribution specialists and demountable body manufacturers, has reached agreement with Talleres Auto Practico, of Barcelona, for the manufacture and marketing of Abel equipment in Spain.

Under the agreement, TAP will form a subsidiary—TAP Abel—to manufacture the full Abel Systems' pneumatic equipment range. Abel will export special components to Spain for incorporation in the basic equipment structure.

European News

Force reductions may go beyond two Germanys

BY REGINALD DALE — BRUSSELS, Oct. 6.

AS EXPECTED the special meeting of NATO ministers announced to-day that an exploratory team led by Sig. Manlio Brosio who has just retired as the alliance's secretary-general, will leave for Moscow to discuss the force reductions in central Europe. Only France of the 15 NATO members refused to back the initiative.

At a Press conference at the end of to-day's meeting, Dr. Josef Luns, the Alliance's new secretary general, said he hoped that Signor Brosio could be in Moscow by the middle of next month. He would leave as soon as the Kremlin gave the go-ahead.

Sig. Brosio's mission will, however, be strictly limited to sounding out Moscow's opinions on the general principles of Mutual Balanced Force Reductions (MBFRs) by NATO and the Warsaw Pact. He will represent the 14 interested western governments rather than the alliance itself, but he will not be entitled to negotiate on their behalf.

On his return, Sig. Brosio will report to the NATO council, of which France is a member, thus ensuring that Paris is kept informed of his progress. The governments will then decide whether it is worth while sending Sig. Brosio to other East European capitals to make further soundings on the chances of success for substantive negotiations.

British view

This means that Sig. Brosio is unlikely to visit any East bloc capital other than Moscow until after the annual ministerial council session of NATO in Brussels in December. The sort of time-scale in prospect accords with the British view that the Alliance should not rush into negotiations in a disorderly manner, although the U.S. is pressing hard for progress on MBFR for domestic political reasons.

The Ministers agreed to-day that force reductions should not be confined to the territory of the two Germanys, an idea which has been strongly resisted by Bonn. But the area concerned will at first be restricted to Central Europe and will not include the Mediterranean or NATO's northern flank.

The West seems likely to suggest that in a first round of negotiations only the countries most directly concerned should participate. This would probably mean those countries, like West Germany, which have foreign troops stationed on their soil, as well as the countries to whom the foreign stationed troops belong. But Dr. Luns said it was not excluded that other governments could participate.

As far as the participation of East Germany in the talks is concerned, Dr. Luns said that much would depend on the current negotiations between Bonn and East Berlin aimed at establishing a modus vivendi between the two German states.

The first phase of the negotiations would probably concentrate on the withdrawal of foreign-stationed troops rather than indigenous forces, although these are likely to be included at a later stage. Thihs evening Dr. Luns suggested that the first stage in the negotiations could well get under way before serious preparations start for a full-scale European Security Conference, which is still conditional on the finalisation of the Berlin Agreement and ratification of Germany's friendship treaty with the Soviet Union.

No decision on Turkish Cabinet

By Our Own Correspondent

ISTANBUL, Oct. 6.

PROF. Nihat Erim has announced that he will not take a firm decision about the future of his Cabinet until Friday.

The Justice Party, which retains an overall marginal majority in the Lower House, yesterday decided to withdraw its five Ministers from the Cabinet, which was formed in April after the military had enforced the resignation of Mr. Suleyman Demirel's Justice Party Cabinet on March 12. As one of the People's Republican Ministers, Senator Topaloglu, and the non-Parliamentarian Minister of Communications resigned at the end of last month, the Justice Party's withdrawal means that Prof. Erim will have seven appointments to make.

It is unlikely that the Prime Minister himself will resign, but without the support of the Justice Party his task could become an impossible one, unless he makes use of the amended constitution's provision for giving decrees the force of law. The existence of this provision is one of the reasons for the dissatisfaction of the Justice Party. The party is also upset that it is being held responsible for the events which led to the military's intervention.

It is still possible that a formula for keeping the Justice Party in the Cabinet will be found. But even if this is the case, widespread Cabinet changes seem likely.

Overshadowing the present trouble is the certainty that the armed forces will take over if a civilian Cabinet capable of introducing sweeping social and economic reforms is not appointed.

'Guests' do the dirty work

FOREIGN WORKERS IN W. GERMANY

BY A CORRESPONDENT IN BONN

ASK a stranger the way in any West German city and as often as not he will turn out to be a *Gastarbeiter*, one of the 2m. foreign workers who are essential to the country's economic strength. Without them industrial production would fall alarmingly, the streets of Germany would be choked with refuse and the Olympic Stadium would stand no chance of being ready for next year's Games in Munich. As an official of the Ministry of Labour in Bonn put it: "We simply couldn't cope without them."

In the past few months some firms, feeling the effects of the floating mark on their export business, have been gently cutting back in the recruitment of foreign workers. Volkswagen, for instance, asked their *Gastarbeiter* not to bring any more brothers, cousins or mates with them when they returned from summer holidays. Even so, barring a major recession, the West German economy will depend on the presence of a large foreign labour force in the foreseeable future.

Largest group

The word *Gastarbeiter*, literally "guest-worker," is still commonly used in the newspapers. The euphemism was invented many years ago to hide a certain embarrassment that Germany was employing foreign workers again at all. But to-day the official designation is "foreign worker." "How can we call them *Gastarbeiter*?" asked the Catholic Church recently. "Who would have the cheek to ask a guest to do the kind of work he wouldn't dream of doing himself?"

The Yugoslavs form the biggest group here (about 22 per cent.) followed by the Italians (19 per cent.), Turks (18 per cent.), Greeks (12 per cent.) and Spaniards (9 per cent.).

About 80 per cent. of the foreign workers are recruited through the Federal Office of Employment in Nuremberg, which has a big organisation abroad. The office passes on requests from firms at home to its representatives abroad, and recruitment is based strictly on demand. In these cases a hard and fast contract is signed by the foreign worker and his future employer, who also undertakes to provide accommodation approved by the Federal Employment Office. For each worker taken on in this way, the employer pays DM165 towards the cost of the service, which has become so big that it is being subsidised by the Federal Government.

Most of the other 20 per cent. are also recruited in an official way, but by-pass the Federal Employment Office and make their arrangements instead at German embassies and consulates. There is also a small percentage—estimated at no more than 4 per cent.—who drift into West Germany as tourists and find work on the black market. Often these people are exploited by employers, paid at less than union rates and put up in the most appalling accommodation. Properly recruited foreign workers, however, are on the same pay scales as the Germans and enjoy the same social benefits.

Low standard

But since most of them are unskilled, they are among the lowest paid workers in the country. It is estimated that about 80 per cent. of male workers are unskilled or semi-skilled when they arrive in West Germany. Of the women 60 per cent. are unskilled and about one-third semi-skilled. Almost one-third of the men and one-fifth of the women improve their abilities while here, but this mostly means that they rise from being unskilled to semi-skilled. The proportion of unskilled men and women who return home skilled is very small.

The Federal Government has a training scheme for foreign workers, and there are also training schools run by employers, but comparatively few foreign workers take advantage of them. One of the biggest handicaps is the language barrier. Of the men only one-third speak fluent German while about 14 per cent. have no knowledge of the language at all. Moreover, many foreign workers do not take the opportunity to attend language courses, often it is thought because they do not have the necessary educational standard in their own language to be able to benefit from them.

In recent months the Government has done much to improve their living standards. In company hostels not more than four persons are permitted to occupy one room, and each occupant must have at least eight square metres of space. There must also be adequate toilet facilities. But the authorities have no control over private accommodation, and this is frequently of an extremely low standard.

Of course, many foreign workers are here principally to save money to enable them to buy a small business at home, and are therefore prepared to put up with sub-standard accommodation. Those who are here illegally do not complain, for fear of being discovered and sent home. There are cases in Frankfurt where as many as 50 foreign workers are living in decaying property for a "bed space" rent of DM50 or more per month. The hostel accommodation provided by reputable firms, on the other hand, is frequently of a high standard.

Last year the foreign workers sent a total of DM4,000m. home. I met one man, a Turk, in a hostel in Neuss, near Düsseldorf, who told me he had saved DM25,000 in four years. Another was doing a second tour here in order to buy a lorry for his small haulage business in Anatolia. Among the Turkish foreign workers are 700 teachers who prefer to work here in unskilled or semi-skilled jobs rather than to stay at home and teach. They are earning about DM1,000 a month here, four times as much as they would in Turkey.

Satisfactory

Successive Governments have often excused the lack of a comprehensive federal scheme to improve the social welfare of the foreign workers by saying that West Germany is not a classical immigration country, like Australia or Canada. But this attitude is changing under the present Government, which recognises that the problem is here to stay. Half the men workers stay in West Germany for longer than four years, and 40 per cent. of the women do so. Twenty-one per cent. of the men and 66 per cent. of the women are married, and of these 58 per cent. of the men and 90 per cent. of the women are here with their families.

Most of social work among foreign workers is done by the churches. This is only fair, since the churches benefit from the church tax paid by them. The Catholic Church has an income of DM65m. a year in taxes from this source. The relationship between the foreign worker and his German mate on the shop floor or the building site is generally satisfactory. In off-duty hours there is very little contact. The German tends to keep his private life to himself and his family. The foreign worker seeks company, and is often to be found in the evenings with his compatriots in the arcade of some railway station, no doubt because the railway is a link with home.

Russian disappears in Belgium

BY REGINALD DALE — BRUSSELS, Oct. 6.

THE BELGIAN Government appears to be distinctly embarrassed by the mysterious disappearance of a member of the Soviet trade delegation in Brussels. Obvious comparisons are being made here with the recent defection in London of Oleg Lyalin, which preceded the expulsion of 105 Soviet officials and diplomats from the U.K.

Belgium, strongly in favour of détente with the Eastern European bloc, does not want to get involved in an international spy scandal, and the Government is reported to have tried actively to suppress Belgian Press reports that the Russian had vanished.

So fgar there has been no confirmation that the official, 38-year-old Anatoli Tchebotarev, has actually defected to the West or that he was involved in espionage activities. The Foreign Ministry issued a communiqué to-day stating that he had made no contact with the Belgian police or other Belgian authorities

Mr. Tchebotarev, who does not enjoy diplomatic status, was described as a "clerk" by the Soviet Embassy here to-day. For the moment his whereabouts as well as his precise function in the trade delegation, can only be the subject of speculation.

German steel industry to resist wage demands

BY MALCOLM RUTHERFORD — BONN, Oct. 6.

THE WEST GERMAN steel industry seems to be in for a bad winter. The latest figures show that profits and production are still falling, while the number of short time workers and redundancies is increasing. There is every sign that the employers intend to use the situation to take an even harder line in the forthcoming wage negotiations than was likely even a few weeks ago.

Crude steel output in the first nine months of the year was 31.56m. tons, nearly 10 per cent. down on the comparable period of 1970. The performance in the final quarter is likely to be even worse and output for the year as a whole is expected to be little more than 40m. tons against more than 45m. tons in 1970.

Nearly all the big companies have already spoken of dividend cuts, some of which may be substantial. Moreover, the trend to short time work is accelerating and involves at present nearly 9,000 workers, most of them for indefinite periods. The number of layoffs so far has been kept under 1,000 partly because of union protests.

According to informed sources, however, the employers have decided that the threat of further lay-offs could be a major weapon in the coming wage negotiations, when they will be asked for pay increases of between 9 and 11 per cent.

Not long ago, it seemed that the employers would have been happy to settle for about 6.5 per cent., but after what they call a new look at their profits situation they are saying privately that even this would be much too much. Whatever offer they make is likely to be below the annual rise in the cost of living, which in the key steel area of North-Rhein Westphalia is now about 6 per cent. The offer indeed may be much closer to zero.

This kind of talk was heard before in the chemical industry negotiations in the spring, where the employers finally settled for around 7 per cent. The steel industry, however, seems to have decided that it must take on the responsibility of stopping high wage increases itself—almost as a political act.

Krag invited to form government

By Our Own Correspondent

COPENHAGEN, Oct. 6.

KING FREDERIK of Denmark this evening asked Mr. J. O. Krag, leader of the Social Democratic party to form a new government. Mr. Krag will meet leaders of the other parties represented in the new Folketing elected on September 21 to-morrow morning when they will give their opinions on the composition of the new government.

This is expected to be a formality however as the social democrats have said all along that they intend to form a minority government. Mr. Krag will return to the king, probably later to-morrow, to say that he is prepared to head a minority government, after which he will be appointed prime minister.

As a minority Government, the Social Democrats with 70 seats, will be relying for parliamentary backing on the 17 members of the Socialist Peoples Party (SPP) and on at least two of the four members for Greenland and the Faroe Islands. This will give them 89 supporters against the 88 members elected for the three outgoing coalition parties.

Mr. Krag, Prime Minister from 1962-67 has already said that he will be seeking support from both sides of the Folketing from issue to issue as the need arises. The SPP is strongly opposed to Danish membership of the EEC, which means that on this issue a Social Democratic minority government will have to rely entirely on support from the right.

Malta's reserves fall

BY OUR OWN CORRESPONDENT

VALLETTA, Oct. 6.

MALTA'S published overseas-held reserves have fallen by almost £19m. to £68m. from an all-time high of £87.7m., principally as a result of the Government's refusal to renew the 1968 Sterling Guarantee Agreement.

In a Central Bank statement issued yesterday it was explained that sterling assets owned by commercial banks were withdrawn from the Central Bank's reserves, indicating that the possibilities of renewing the Sterling Guarantee Agreement of 1968 were not so promising now. The statement added that the Central Bank had also sold £5.7m. in sterling to the Government to enable it to repay some of teh U.K. Exchequer loans.

Mr. Mintoff had refused to renew the accord unless Britain agreed to allow more than 25 per cent. of Malta's reserves to be switched out of sterling into other currencies. In the House of Representatives the Prime Minister said his Government intends switching a substantial amount of reserves from sterling into other currencies.

Our foreign staff writes: The transfer of the commercial banks' sterling assets out of Malta's official reserves is believed to be a matter of dispute between them and the Central Bank, as a result of the revaluation of the Malta pound against sterling.

Early in 1968, the commercial banks agreed to deposit sterling assets with the Central Bank under an arrangement which they believed would protect them against any foreign exchange risk.

It now appears that the Central Bank interprets the arrangement rather differently, and that since the sterling value guarantee with Britain has not been renewed, the commercial banks face a loss of 2½ per cent. on the assets formely held with the Central Bank.

GERMAN TALKS IN "INTENSIVE PHASE"

WEST BERLIN, Oct. 5.

East-West German talks on completing the four-power Beriln Agreement moved into an "intensive phase" of negotiations in East Berlin to-day, West German State Secretary Egon Bahr told a Press conference here to-night.
Reuter

European technology institute

BY ROBERT MAUTHNER — PARIS, Oct. 6.

A CONVENTION setting up a new European Institute for the Management of Technology was signed here to-day by the six OECD Governments backing the project, including Britain.

The British Government, which has taken a leading part in the creation of the institute through its Ambassador to the OECD, Sir John Chadwick, who was also chairman of the special working party which drew up the basic recommendations, is making an initial annual contribution of $140,000. The other Governments involved, whose contributions range from $16,000 to $200,000 are West Germany, France, Italy, the Netherlands and Austria.

But the Institute will not be entirely financed by Governmental funds. The aim is that its annual budget — $1.5m. initially rising to $3m. in about three years' time when it becomes fully operative—will be made up in equal proportions by Government grants, contributions from industry and students' fees.

Although industry has been slow to respond, some of the major industrial groups in Europe have now pledged their support. IBM Europe, for instance, is contributing as much as $30,000 a year, and Shell Europe, British Petroleum, Philips Holland, Fiat, Pirelli, Olivetti, Siemens and AEG (Germany), are among those giving $10,000 each.

The Institute will be located in a former 16th century convent in Milan, the Collegio della Stelline, which has been generously provided by the Milan municipal council. The city of Milan has also made a grant of $100,000 a year towards the general running costs of the Institute.

Several kinds of courses will be available at the Institute when it eventually opens in the middle of next year. Long courses of about one year will be for junior managers and scientists in high technology industries; there will be shorter advanced courses for middle and senior management who want to bring themselves up to date on the latest business management techniques. The intention is to restrict the number of students at the Institute to about 300 a time.

The first director-general of the Institute will be Dr. Jurgen Seetzen, a German engineering scientist. Mr. Kenneth Hill, deputy chief scientific officer of the Programme Analysis Unit in Britain, will be its director of studies and M. Henri Martin, of the French Nuclear Institute in Saclay, its director of administration.

Aircraft choice within months by Caledonian

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN, the "second force" independent airline, has now "almost completed the evaluation of aircraft for its future needs," and will be making a decision on future aircraft types "within the next few months."

The types under study have included the Boeing 747 Jumbo jet, the Lockheed TriStar and McDonnell Douglas DC-10 tri-jets, the A-300B air-bus and the Concorde.

The decision, says the airline, will be "a particularly critical" one, since it operates all types of service, both short haul and long haul, both passenger and all-cargo, in both scheduled and charter services.

In the meantime, the airline says that a thirteenth One-Eleven Series 500 jet will join the fleet next spring, replacing a Series 200 One-Eleven that has been sold to the Ministry of Defence (Aviation). Delivery of a fourteenth One-Eleven Series 500 jet is planned for the spring of 1973.

The fleet for 1972 will total the same number of aircraft as in 1971, but the capacity will be greater—the Series 500 One-Eleven now being acquired being capable of carrying 119 passengers against the 79 carried by the Series 200 aircraft now sold.

In all, the 1972 fleet will consist of 32 jet aircraft, including 8 Boeing 707-320Cs for long-haul charters, four VC-10s for scheduled services, 13 One-Eleven 500s and seven One-Eleven 200s for scheduled flights and inclusive tour charters within Europe and the Mediterranean.

In terms of jet fleets, this makes British Caledonian bigger than nearly 90 per cent. of the world's airlines.

Motor caravan sales may double by 1980

SALES OF motor caravans in Europe are expected to double by 1980 with well over 20,000 new vehicles on the roads a year. In the longer term, as society became more affluent, the growth in the leisure vehicle market "could be explosive," according to Mr. Peter Duff, executive director of Caravans International (Motorised) speaking in Paris yesterday about the new motor caravan designed for the European market.

Called the Autohome, it has been developed by C.I. and Ford, and is based on the Ford Transit.

The caravan will be assembled by C.I. in Britain and Germany, and goes on sale in January. Initially it will be marketed in Britain, Germany, Holland and Switzerland, and plans for further European markets are under development. Marketing will be through Ford dealers and specialist caravan outlets.

Mr. Duff said that Britain and Germany were the major markets at present, and the last five years had seen both markets double in annual sales.

Experience in the U.S. has been dramatic. In 1960 sales there of pick-up campers totalled 14,000 units and sales of motor caravans were negligible. By 1970 sales of pick-up campers had shot up to 240,000 vehicles and motor caravan sales totalled 55,000 vehicles.

"Caravan trailers in the U.S. showed a big increase also, but nothing like the growth of the motorised sector—trailer caravan sales increased from 40,000 in 1960 to 195,000 in 1970. This is a good indication that the public choice is swinging to the greater compactness and mobility of motorised leisure vehicles and increasing affluence in Europe will see the pattern repeated here," said Mr. Duff.

Saloon car comfort in new MGBs

By James Ensor

SOME MINOR changes have been made to the British Leyland MGB and MGB GT sports cars. The body styling and mechanical *layout remain unchanged, but* brushed nylon seat trimming and adjustable face-level ventilation make the latest versions considerably more comfortable than their predecessors.

Prices have been increased by £25 for the MGB GT to £1,415 and by just under £19 to £1,271 for the MGB.

The reclining front seats and general interior layout now compare well with the standards set by BL 2-litre saloons.

Despite the age of its design and its slightly outmoded engine and suspension, the MGB remains the world's most popular sports car. Rivals with more advanced engineering as the VW-Porsche or the Opel GT have failed to dent the demand for the MG, which continues to climb each year, both in the U.S. (which is its most important market) and in Britain.

The classic appropriateness of its design, particularly in the GT version, has helped to maintain its position as BL's most important export to the U.S.

Compressed air industry sales exceed £100m.

Financial Times Reporter

TURNOVER in the compressed air industry in the U.K. is now over £100m. a year mark, the lateset annual report of the British Compressed Air Society, published yesterday, reveals.

Of that total, the report discloses, exports account for over one-third. The society refers to the lack of accurate figures covering each sector of the industry in detail, and says that there is "encouraging evidence of progress" there.

Mr. J. E. Bamborough, preseident of the society, calls on the industry to pay more attention to gas compression.

"With the opening up of gas and oil resources in the North Sea, it is highly desirable that the U.K. be as self-sufficient as possible in the provision of processing equipment," he says in his annual statement.

Marsh stresses rail closure policy

BY JUSTIN LONG

MR. RICHARD MARSH, the new chairman of the British Railways board, *yesterday went out of his* way to stress that he would continue the policy of closing down lines which were uneconomic.

"Social implications are nothing at all to do with us at British Rail," the former Minister of Transport in the last Labour Government told the Canada U.K. Chamber of Commerce at a lunch in London.

Of course the social implications were important, he said. But those were matters for the Government to determine and, if necessary, provide the finance.

"You can't have managerial efficiency and at the same time say to managers, 'Will you also keep an eye open for the national interest and the social implications'," said Mr. Marsh.

The increasing population growth, concentrating in the large towns, demanded fundamental re-thinking of the en*vironmental* and communication problems.

More and bigger motorways were not the answer, Mr. Marsh maintained. In the clash between public transport and the internal combustion engine, it would be necessary to evaluate the cost of noise, pollution, congestion, the services of the police, road accidents and hospitalisation. Those problems could only be solved at a price, and a price tag would have to be put on them.

Making it clear that he believed the railways would have to be called on to help provide a solution to the main problems of the 1970s Mr. Marsh added: "I think we shall see some very significant changes in the transport field in this country well within the next 10 years."

Pilkington to build £½m. St. Helens glass plant

BY DAVID WALKER

PILKINGTON BROTHERS is to build a £500,000 plant at St. Helens to manufacture a new range of solar control glass with highly reflective surfaces. The project *is part of a £1m. investment* in environmental control glasses announced by the company yesterday.

The solar control glasses will be incorporated in Pilkington Insulight double glazing units. They are to be made in what will be one of the largest vacuum deposition units in the U.K.

Few extra jobs

The plant, scheduled to come into operation by *the middle of* next year, is to incorporate processes licensed from two German companies, Flachglas and W. C. Heraeus.

The remaining £500,000 is to go toward the production at an existing factory of a new range of tinted glasses which also keep out unwanted heat from the sun. In both projects, a high degree of automation means that few extra jobs will be created by the moves, Pilkington stated.

"*Environmental* control is currently the fastest growing market for flat glass in the U.K.," the *company commented.* "This investment indicates a major marketing campaign in this sector."

According to Pilkington, 3m. square feet of glass each year goes into air-conditioned buildings under construction in the U.K. Some £1.5m. worth of the company's solar control glass has been specified for buildings currently being erected.

MORE VISIT U.K. IN AUGUST

Foreign visitors to the U.K. in August totalled 690,000, about 10,000 more than in the same month last year, it was disclosed yesterday.

State pension plan will assist job changers

BY ELSBETH GANGUIN

THE preservation requirement contained in the Government's pensions plan, published as a White Paper "with some green edges" last month, would be "knocking feudalism out of industry," Sir Keith Joseph, Secretary for Social Services, declared in London yesterday.

Once this came into effect, employers would no longer be able to use the loss of pension rights as a threat to employees who intended to move elsewhere.

Sir Keith, who was addressing an audience of pensions managers, company secretaries, insurance experts and others at an Industrial Society conference, declared that to prevent departing employees from taking their own pension fund contributions with them before the deadline of 1975 was not feasible. "You don't know how much objection ordinary citizens have against stopping this leak—so we must go on allowing it for some years to come," he said.

Asked why the Government proposals did not include a common retirement age for men and women, Sir Keith said: "There are two instantaneous ways of losing an election: to increase the retirement age of women and to raise contributions to allow men to retire at 60."

He wished the trade unions would take more interest in the whole subject of pensions. Unions in Western Europe, where the plight of the elderly was less severe than here, showed much greater concern.

There was insufficient awareness that pensions were a proper subject for wage negotiations. Economic growth could be speeded up if some increases were made in terms of savings for pensions instead of in immediately spendable earnings.

This was a good country in which to be ill, but not to be old. One-third of all retired people were paying direct taxes, another one-third was receiving supplementary benefits.

Little concern

Men on the whole did not show much concern about providing for their widows—and the largest group of poor people in this country were widows. Therefore, the Government plan made provision for widows a statutory requirement for occupational pension schemes.

The present state of affairs was miserable for the elderly and bad for the economy, Sir Keith suggested. We would also show up badly on joining Europe, where pensions were generally higher than here.

Outlining the Government's "strategy," Sir Keith said the increasing number of pensioners made a shift to an earnings-related contribution system inevitable. There had also been a "faintly political" reason for bringing out the proposals now: last year's *uncertainties had damaged* the occupational pension movement.

The aim was a fair pension for all and a scheme all could understand. The "distinctive social task" was to provide a decent pension, plus a provision for savings, to be added to this basic pension. But this could only be realistically done on a flat-rate basis "which we can cost to-day."

Every week, 7.5m. pension households had to be paid their pensions, "which can only come from to-day's earnings." Eighty per cent. was made up of contribution income, the rest came from the taxpayer. "To-day's earners must support to-day's pensioners."

Sir Keith reminded delegates that there would be a review at least every other year to provide price protection. He also said that we were already half-way towards an earnings-related contribution system. "The inflow of income to the insurance fund is now over 50 per cent. earnings-related," he stated. The rest would come by 1975.

So there would be the flat-rate, price-protected pension and something extra for groups with special needs, like the over 80s, the chronically sick, or the severely disabled. But everyone should also have a second pension, based on earnings records, as provided by occupational schemes.

MOT tests a mockery says Motoring Which?

FINANCIAL TIMES REPORTER

MINISTRY OF TRANSPORT car tests in their present form are condemned as "largely a mockery" by Motoring Which? after an investigation which is reported in the October issue of the magazine, journal of the Consumers' Association.

By telling so many people that their cars are safe, when in fact they are not, the MoT test may be a positive danger, says Which? It is the main conclusion of an examination of six five-year-old cars, each of which was tested 10 times.

One car was fault-free in terms of the test and five had various faults. But in half the cases where the cars were bad enough to fail, blatant faults were overlooked and unsafe cars were certified fit for another year, according to the Which? report.

Not one of the testers presented with a car with more than one fault spotted all the faults. Of the 221 faults which should have been noted, only 44 were found. There was no evidence to suggest that testers were failing cars which should have been passed in order to get extra work.

Among criticisms of the system, Motoring Which? considers that the test fee is far too low for garages to do the job properly.

The situation will only be improved by sweeping changes, principally in the establishment of a national network of independent "*official*" testing stations, the report contends.

Underbody rust

The Consumers' Association has already made representations on these matters to Mr. John Peyton, Minister for Transport Industries, *who indicated last month* that a working party would study a proposal for changing the present testing station system.

Further reports in Motoring Which? cover the prevention of underbody rust. It is suggested that the resistance of British cars to rust is fairly poor as compared with some Continental models.

In a sequel to a previous report on safety standards of the Rover 2000 and Triumph 2000, it is stated that the manufacturers of both cars answered that they had passed all the U.S. Federal Safety Standards. But Motoring Which? maintains that not all obvious hazards were eliminated.

According to Which? the Rover suffers from "unpredictable handling on fast bumpy corners, lowered braking efficiency when brakes are soaked, brake pedal too high up, heavy clutch and accelerator, mirrors making the judging of distances behind difficult and poor view forward, particularly for tall drivers, when it is wet."

The article also lists a good many safety features and admits the car's safety reputation. It has won an Automobile Association award and the approval of America's car industry critic, Mr. Ralph Nader.

Told of the article, a Rover spokesman said he would like to reserve judgment until he had read it.

Other Overseas News

Japan agrees to textile talks

TOKYO, Oct. 6.

MR. EISAKU SATO, the Japanese Prime Minister, to-day made clear that Japan will agree to the United States demand for a governmental textile pact by the October 15 deadline, despite strong opposition from the textile industry. He told a Press conference that export controls under a governmental agreement would be preferable to mandatory quotas by the United States.

The Minister of International Trade and Industry, Mr. Kakuei Tanaka, told leaders of the ruling Liberal Democratic Party that a Government pact with the United States would be inevitable, party sources said. His deputy, Mr. Yoshihiko Morozumi was expected to meet with textile industry leaders later to-day in an effort to win their support to the Government's decision.

Industry sources said, however, that the Government decision to accept the "humiliating" U.S. demand might lead to a head-on clash with the textile industry that might even develop into a political crisis.

A spokesman for the Japan Textile Federation, which represents 23 industrial assotions, said that acceptance of the U.S. plan for Governmental controls would deal a heavy blow to the industry. He said the plan would apply severe category-by-category curbs to main man-made fibre and woollen textile items in addition to an overall ceiling.

Since fashions quickly change from category to category in the textile business, such rigid curbs would mean far stricter restrictions than the voluntary export control enforced by the industry since July 1, 1971, he said. The spokesman also said the United States apparently wanted a long-term multilateral agreement on man-made fibre and woollen textiles after the pattern of the 1962 long-term agreement on cotton textile trade.

Reuter

BRITAIN GETS MORE MONEY FROM HONGKONG

By Stewart Dalby

HONG KONG, Oct. 6.

HONG KONG is to pay an extra £15m. to Britain under a new five year defence treaty. Announcing this to-day to the Legislative Assembly, Mr. C. P. Haddon-Cave, the Financial Secretary, said that Hong Kong had agreed to pay HK$580m. (£40m.) towards military costs over the next five years. This represents an increase of £3m. a year. Under the previous defence pact, which expired in March this year, a total of HK$280m. was paid for four years.

Mr. Haddon-Cave also revealed that Britain had originally asked for HK$745m., but this was whittled down by a third during the course of negotiations which lasted more than a year.

Riad sceptical about U.S. plan for Middle East

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Oct. 6.

PROFOUND doubts—but no outright rejection—of the latest U.S. proposals for an interim arrangement between the Arabs and Israel leading to reopening of the Suez Canal were expressed by Mr. Mahmoud Riad, the Egyptian Foreign Minister, in his speech to the UN General Assembly to-day.

In Egypt's first reaction to the six-point plan presented on Monday in New York by Mr. William Rogers, U.S. Secretary of State, Mr. Riad said, "The experience of over 20 years has taught us not to be dragged again into such a trap" (a reference to the 1949 armistice agreement which established the ceasefire lines up to 1967).

In a speech which appeared to throw something of a cold douche on the Rogers proposals Mr. Riad stressed Egyptian fears that an interim agreement might become a permanent one. He told the General Assembly that in the past Israel had used interim agreements as a means to consolidate a de facto situation resulting from its "aggression" and as a springboard from which to launch "further agression on the road to territorial expansion."

Mr. Riad reminded the Americans that in 1967, when the Security Council adopted its resolution establishing peace principles, the U.S. had categorically rejected the idea of an interim solution. He also asserted there was a contradiction between what the U.S. said about supporting that resolution and its "actual policy of providing military and economic aid to Israel." This aid continued, despite Israel's refusal to make a commitment—requested by Dr. Jarring, the UN Middle East representative in February—to withdraw from Egyptian territory.

Mr. Riad said there were two roads that would lead to the establishment of permanent peace in the Middle East. The first was implementation of President Anwar Sadat's proposals for a two-stage Israeli withdrawal, preparation of a timetable for implementation of the UN resolution, and the reopening of the Canal. The second was Israeli assent to enter into a peace agreement, in accordance with Dr. Jarring's proposals made in February.

If Israel responded positively, as Egypt had done, Mr. Riad said he was ready to meet Dr. Jarring to discuss the implementation of his proposals.

In an interview with United Press International, Mrs. Golda Meir, the Israeli Prime Minister, said that Israel did not consider a special Suez Canal agreement as a final settlement. "Israel suggests that negotiations for a final settlement should be carried on after the Suez Canal agreement," she went on.

Lebanon–IPC accord

BY OUR OWN CORRESPONDENT

BEIRUT, Oct. 6.

LEBANON and the Iraq Petroleum Company to-day signed an agreement settling the Government's old claims and increasng the revenue IPC pays to the Treasury here on its refinery in the northern town of Tripoli.

Premier Saeb Salam, who signed the accord on behalf of the Government, said the agreement increased Lebanon's income from the internationally-owned company "by tens of millions of Lebanese pounds." He said he would hold a Press conference soon to give details of the agreement, which was to be referred to Parliament for approval.

Informed sources said Lebanon would receive about £L40m. (about £5.5m.) in arrears and about £L15m. (about £2m.) annually.

Negotiations between the two sides had been going on for about a year and were delayed after Lebanon asked that new accord should take into consideration the increase recently in posted prices at the Mediterranean terminals. Lebanese official sources said the company had agreed to the Government's demands.

Vorster hedges on border clash

JOHANNESBURG, Oct. 6.

PREMIER John Vorster strongly censured local newspapers for their handling of his statement on Tuesday over the hunting of a terrorist gang which killed one police officer and wounded four others in the Caprivi Strip.

In his statement, made at the Transvaal Congress of the ruling National Party, Mr. Vorster said security forces would pursue the killers across the border—but carefully avoided saying into which country or indeed that security forces had actually gone outside South African territory.

But the Afrikaans language Die Transvaler headlined the story to-day "South African police shoot on Zambia." Mr. Vorster said: "This report is to say the least of it highly irresponsible, and furthermore it is not true."

The English language Rand Daily Mail said police had crossed into Zambia. "I never said the police had crossed the border. These words are not to be found in my statement," Mr. Vorster said.

UPI

Our Lusaka Correspondent writes: Following the South African statement on Tuesday Zambia claims that South African helicopters are overflying her territory thus violating her rights. It is expected that Zambia will protest regarding the violation to countries who can bring pressure on South Africa.

Britmond re-opens office in Congo-Kinshasa

BY ROBIN MATHEW

AFTER NINE months' absence British Congo Diamond Distributors (Britmond), an associate company of Anglo-American Corporation, is to re-open its only buying office in Congo-Kinshasa. The office is at Tshikapa in Kasai where 90 per cent. of the world's industrial diamonds are produced.

The move follows a radio announcement in Kinshasa that every foreigner in both the eastern and western areas of Kasai have been successfully arrested or expelled. This intensive military campaign was another attempt to eliminate both gem and industrial diamond smuggling which was estimated to be costing Congo-Kinshasa £10m. a year.

Kasai has been completely closed to any foreigner since the operation began. Mostly affected were Senegalese, Nigerians, and Sierra Leonese whose possessions were seized and sold to pay the cost of expulsion. Up to 38,000 ueoule are thought to have been arrested. Many are still held in jails near Kinshasa while arrangements are made. In theory proof of legal employment would enable any of those affected to return.

The return of Britmond will be greeted with relief by the local people who have no other means of livelihood. Their diamond digging licences, revoked in February, are expected to be re-issued. Most of the smuggled diamonds, which were estimated to be about 50 per cent. of total output, were taken to Congo-Brazzaville.

Slow Swedish growth

By Our Own Correspondent

STOCKHOLM, Oct. 6.

THE SLOW DOWN in the rate of growth of Sweden's GNP during the first half of this year is due primarily to reduced gross investment levels and lower investment in stocks, as well as a slower rate of increase in exports and public consumption, the Central Bureau of Statistics states in its latest economic report.

Warning to Canberra on industrial relations

By Our Own Correspondent

CANBERRA, Oct. 6.

THE LEADER of one of Australia's most influential employers' organisations accused the Commonwealth Government to-day of contributing to the deterioration of industrial relations by vacillation.

Mr. J. B. Clarkson, president of the Metal Trade Industry Association, said that the past two years had seen a serious deterioration in industrial relations, in which a major factor had been uncertainty created by the Government.

Addressing the association's annual meeting in Canberra, Mr. Clarkson said: "It is essential and urgent for the Commonwealth Government to make up its mind immediately about the amendments it considers necessary to the Conciliation and Arbitration Act, amend the act, and insist upon its observance. This period of uncertainty has gone on far to long."

Three-way discussions between the Government, employers and the Australian Council of Trade Unions over changes in the enforcement provisions of the compulsory arbitration system have been going on for more than 18 months. The talks stemmed from an unprecedented wave of protest strikes following the jailing of a union official whose organisation refused to pay a penal fine.

To-day's address was widely received as a last warning to the Government that it must show a firm hand in industrial relations or expect an all-out trial of strength between union and employer organisations.

The implications of such a clash have grown steadily more serious in recent weeks with the emergence of a deep split in employers' ranks, in broad terms between the metal trades and other manufacturers. The non-metals group, through the associated chambers of manufacturers, has bitterly criticised Mr. Clarkson's organisation for accepting substantial wage rises which will flow through to other industries.

SOUTH AFRICA

Industry analyses the new regional policy

BY GRAHAM HATTON, JOHANNESBURG CORRESPONDENT

ALTHOUGH Pretoria's White Paper on decentralisation was published in June, it is only now that many of its more specific implications are beginning to be grasped by South Africa's industrialists. The reason for the delayed reaction has been a lack of data. Although the White Paper contained a broad summary of Government thinking, it carried very few of the facts and figures of the confidential report on which it was based. The report itself, prepared by an inter-departmental committee under chairmanship of the Prime Minister's economic adviser, Mr. Piet Riekert, remains confidential; but during the past few weeks various Government spokesmen have released a few of its crucial findings.

Backward

Following, for instance, a recent speech by the country's chief director of economic planning, Mr. Tjaart Du Plessis who was a member of the committee, it is now possible to make a quantitative assessment of the White Paper's regional implications. Mr. Du Plessis explained that it was Pretoria's intention to skim off a good deal of the expected growth of the country's main industrial complex, the Pretoria - Witwatersrand-Vereeniging area of the Southern Transvaal, and redistribute it around the more backward regions like the Eastern Cape and Northern Transvaal. According to the White Paper, this will be achieved through a system of incentives—as well as coercion. A company in the Southern Transvaal with an African-White labour ratio over 2½-1 will not be permitted to expand on its present site, unless the Government agrees that it is "locality-bound." Instead it will be offered incentives to expand in a decentralised area.

This should mean a reduced rate of growth in the Southern Transvaal according to Mr. Du Plessis. The region has been among the fastest growing areas of the Republic, and although only 25 per cent. of the country's population live in it, the area generates nearly 50 per cent. of the nation's income and provides 47 per cent. of its factory jobs. This latter figure could fall to 38 per cent. by 1980 if the decentralisation programme goes according to plan, says Mr. Du Plessis. Growth in manufacturing industry in the region is expected to average out at about 4½ per cent. a year over the next decade, compared with a target rate of growth of 6.6 per cent. for industry in South Africa as a whole. The full implications of these figures for property values and business generally on the Witwatersrand and surrounding areas have yet to be fully explored.

If the outlook for the Southern Transvaal is one of moderate growth, the prospects for the more backward areas could, on the other hand, be fairly bright. The Northern Transvaal is the region where pressure of population is the greatest. Mr. Du Plessis's figures show that the Government expects 68,000 new industrial jobs to be created in the region this decade. The main growth point would be Pietersburg, with Potgietersrust, Phalaborwa and Tzaneen as additional ones.

The other main region of high population pressure, the Eastern Cape, which includes the Transkei and Ciskei Bantustans, is expected to benefit from the decentralisation programme to the extent of 100,000 new factory jobs before 1980. Natal which includes Zululand, already has a well-established industrial complex of its own, and is expected to benefit from the decentralisation programme only marginally.

All this, of course, assumes that industry will in fact grow at the Government's target rate of 6.6 per cent. a year on average over the next decade, and that only its regional distribution will be affected by the decentralisation programme. Indeed, it is a fundamental proposition of the White Paper that the programme should in no way hamper the overall growth of the economy, and it is in this spirit that Pretoria is presently preparing a schedule of incentives for key industries to decentralise.

The point about the incentives is that they are to be designed "to compensate industrialists for the cost disabilities which they would experience in decentralised areas." And where the cost disadvantages for a particular company are so high that the Government cannot afford to offer big enough incentives to compensate, it is envisaged that the firm will be allowed to expand where it is, even if it has a high African labour complement. This is, perhaps, the biggest concession of the White Paper, for it means that under no circumstances can the decentralisation policy prevent a company from expanding, as it could have before the new policies of the White Paper were announced. Previously, although many concerns found that decentralisation incentives were inadequate to cover the cost disadvantages of moving to a "border area," the Government was still not prepared to let them expand in metropolitan areas.

Incentives

Exactly how it is all going to work out in practice remains to be seen since the Government has not yet announced precisely what the new incentives are. They are not expected much before the end of October. The crunch will only come when some company or other decides the decentralisation incentives offered are inadequate to cover the cost disadvantages of resiting. In theory, such a company should then be permitted to expand in a metropolitan area and it will be a test of Pretoria's good faith to see if it is in fact allowed to do so.

LABOUR PARTY CONFERENCE

BRIGHTON, October 6

The UCS workers to-day acted like a catalyst on the Labour conference—the preserve of 30 of them here quickening the fusion of elements of a new economic policy for the party. "You have brought a new dimension into our debate," said Mr. Anthony Wedgwood Benn. And the party rallied to their unfurled banner to commit itself to extending public ownership and workers' control.

Mr. Benn—like Mr. Roy Jenkins and Mrs. Barbara Castle before him—stressed that the party leaders were seeking "a broader base of consent" within the party on the economic policy of the next Labour Government. He promised a programme of nationalisation would be put before the next conference and that it would be used flexibly and to aid regional development.

He warned that a Labour Government would re-nationalise without compensation any sections of public industry sold by the Conservatives. "This counts from to-day and not just from some vague period in the future," he said.

And on workers' control, he said: "Anyone who thinks that appointing Lord Robens instead of a lot of coal owners is socialism has got another think coming." A wider area of management had to be carved out for the workers. Together with price controls and an emphatic denial of a statutory wages policy this was the political half of the compact with the unions

It was the sort of compact that delegates wanted to see and to which they gave their enthusiastic support. And there was little hedging from the platform about its intention to carry it out. "Let us make more workers the owner occupiers of their own industries," said Mrs. Castle. "Let us stop pussyfooting about nationalisation."

Mr. Jenkins, in a speech whose reception should confirm his place in the leadership, told the conference: "None of us want a return to the past. All of us want a solution freely agreed. We cannot be urgent about the end of the Tory Government and at the same time be leisurely about our own vital policy formation."

That policy—to deal with unemployment and inflation especially—should not be a form of words for an election manifesto but one that would stand the pressures of office. The next Labour Government had to command the loyalty of its ssupporters and maintain its public popularity, he said. "We must have plans that we can be confident will work."

The party must have both a spirit of adventure and a high degree of self discipline—to know where it was going and to get there. "We want to make a reality of our traditional idealism," he said. "We will never wholly succeed but we will not succeed at all unless we keep our sights high."

Philip Rawstorne

Freddie Mansfield

Mrs. Castle and Mr. Jenkins make their points during the debate on economic policy.

Self-discipline and a spirit of adventure—Jenkins

MR. JENKINS said the executive accepted the resolution from Mr. Hugh Scanlon's Amalgamated Engineering Workers' Union subject to reservations on sections dealing with imports and foreign finance.

"These measures may be necessary in certain circumstances and indeed were used to some extent by the last Labour Government, but they have to be considered in relation to the need.

"Indeed, particularly to-day when we have one of the strongest balance of payments positions and there is a strong British and world interest in getting the U.S. to take off the surcharge so damaging to world trade and to jobs in this and other countries."

Concessions

Mr. Jenkins said that at such a time he did not think import controls would help, and they might damage us substantially.

He told delegates: "In Opposition we in the Labour Party have two principal tasks in the field of economic policy.

"The first is to expose the contemptible performance of the present Government particularly on unemployment and prices, and also on the grossly regressive imposition of social welfare charges to make room for big tax concessions for the better off.

"The second is to formulate our own practical policies so that when we again take responsibility we cannot merely do better than the present Government—that would not be difficult and it is far too low a level at which to aim—but make faster economic progress than we ourselves have ever been able to do in the past.

"This was to be a Government above all of stable prices and falling unemployment. These were the great issues on which 'Honest Mr. Heath' confronted the British electorate.

"The prices fraud hardly needs further exposure. It stands condemned by the experience of every housewife and the result of every by-election."

The Government's unemployment record, he said, was in some ways even worse. "Registered unemployment has increased by over 350,000 in the past 15 months—more than 55 per cent. higher than when we left office. And the true position is worse than this.

"Unemployment is the most menacing national problem. It is the direct responsibility of the Government."

He said that in a state of public disillusion and discontent, the Government had lost Bromsgrove and had clung on to Macclesfield by "the skin of its teeth."

"But let it not be forgotten that we had our Bromsgroves and Macclesfields too. In future we do not want the same collapse of popular support soon after we are in power again. This is bad for the authority of a government and it is bad for the whole working of democracy."

He did not want the 1960s and 1970s to be remembered as the age of "politics of disillusion."

Labour could not go into the next election without a credible anti-inflation policy.

The national executive's reference to prices and incomes policy and wage restraint talks with the trade unions did not imply a return to what prevailed between 1966 and 1970.

Solution

Referring to the Labour Government's statutory wages policy he said: "I have no desire to go over that stony bit of ground again. It produced great dispute within the movement and its result, while by no means negligible in the context of the intense short-term difficulties we were facing, were not such as to begin to suggest that we had found the key to a long-term solution.

"That requires a much closer mutual understanding between the unions at all levels and the political leaders.

"Last year may not have been the time for serious talk. This year is. We cannot be urgent about an end to a Tory Government and at the same time be leisurely about our own vital policy formulations.

"These talks should be on the basis that none of us want to see a return to the past. All of us want a solution freely agreed, compatible, of course, with collective bargaining which will be not a mere form of words to get us over the general election, but will stand up to the pressures of office."

The key to civilising our society was to have more room for public expenditure.

This would remove poverty, prevent "the hearts being torn out of our towns" and the pauperisation of public transport, preserve the countryside and coastline, and avoid damaging our whole future by too great a pressure on short-term needs.

The technology of the late 20th century will prove a monster in all our lives unless it is effectively controlled, and that means publicly controlled."

Mr. Jenkins pointed to the disillusioned and sulky resentment which conditions much of the public attitude now.

"We need two things—a spirit of adventure and a high degree of self-discipline."

Adventure was always easier than self-discipline. "But both are clearly necessary," he added.

Ideals

"Few will dispute that some of the votes cast in recent by-elections are negative in that they express opposition. Negative votes are always good to have but positive votes are much better.

"We must have the self-discipline to carry out what we promise. Otherwise we shall only confirm the dangerous pattern showing signs of settling on British politics.

"We will never wholly succeed in fulfilling our ideals. But we shall never at all unless we are to keep our sights high."

Priority for unemployment

MRS. CASTLE said that the "disastrous" level of unemployment was due to the Government deliberately holding down growth when she introduced the national executive's policy statement.

Unemployment had been given priority in the document because the Government had given priority to its creation, she said.

Alarming

Mrs. Castle said that during the last 16 months of Conservative Government unemployment had changed in quantity and character.

"The biggest rise in unemployment last month was in the West Midlands, once a thriving centre of industry. Since we left office there has been a rise of 78 per cent. in the whole of the unemployed in this area."

The second alarming new element was the progressive decline in employment opportunities.

"Britain's industrial base is shrinking before our eyes. Every day brings its stories of new redundancies, not just the big dramatic ones in Upper Clyde but a steady erosion of jobs of every corner of the land.

"Britain is in the grip of a deep and stubborn recession.

"The key element in this Government's economic strategy is to hold wages down while deliberately pushing up prices and then blaming the workers."

Mrs. Castle said full employment must once again become the centrepiece of Labour policy. The figure of about 500,000 unemployed under the Labour Government was the unhappy by-product of the overriding priority of achieving a £600m. balance of payment surplus.

"Had we returned to office in June last year, you would not be facing that 500,000 unemployment figure now, let alone the 900,000. We would have used that surplus for the use it was intended for, as the basis for expansion growth and jobs.

"The Tories have hoarded this surplus like misers. They have held down growth to create an even bigger surplus which is now running at the rate of some £1,000m. a year."

Commission

They knew in their heart of hearts that the price of Common Market entry would be heavier, even in the transitional period, plus the drain on sterling that would have to be met if Mr. Heath railroaded an unwilling Britain into the Market.

"The unemployed are paying for Britain's entry. Thank heaven we turned our backs on that policy by our decision on Monday."

Mrs. Castle emphasised that in the NEC document no one was trying to revive the old prices and income policy. Before the last election the Labour Government had already moved away from that idea by seeking to introduce a Commission for Industry and Manpower which would have protected the consumer. This was the new starting point of their new anti-inflation policy.

Labour must be able to give some guarantees to the unions that they would be protected against price increases if they played their part in wage restraint. They had to work together to guarantee increases in real wages.

Labour intended to revive the former Labour Government's highly successful early warning system of price increases and the establishment of a Commission for Industry and Manpower.

They wanted to give the housewife a body to which complaints could be made and on which effective action could be taken. There must be a return to the social policies of the Labour Government which helped keep down rate, rent, food and fare levels.

The Government had deliberately forced up the cost of every essential item of working class expenditure. "Then it has the brass cheek to blame inflation on the trade unionists, and don't forget that VAT is still to come. When introduced, it will make SET look like 'Paradise Lost.'

Govern

Even when a new Labour Government had reversed the "grosser" features of Conservative policy, some pretty stubborn problems would remain. These included redundancies among the over-40s, and areas like Scotland which were rapidly becoming not development areas but distressed areas.

Labour had pussy-footed in recent years over public ownership. The irony was that it took a Conservative Government, faced with the problem of an ailing Rolls-Royce, to prove that the only relevent answer was public ownership.

"Nationalisation is becoming gold plated now. Why don't we go out and say that the only answer to unemployment lies in the imaginitive use of public ownership?

"The machinery can be created if we have the will, but unless we have the will to give people a say in the greater control of their own economic life we cannot expect to get from them sophisticated responses to the sophisticated economic problems of the day.

"You will only solve your economic problems by giving people a control of their own economic lives. Britain is yours—govern it yourselves."

Mrs. Celia Fletcher (Mitcham and Morden) moved a resolution urging the executive to formulate future Labour policy on prices and incomes in conjunction with the unions.

"In a controlled economy all prices must be controlled in such a way that they do not rise beyond an acceptable level and wages must not be allowed to fall behind prices," she said.

Mr. Hugh Scanlon (AUEW) moved his motion calling for "radical alternative policies to achieve maximum expansion, full employment and rising living standards" and a redistribution of wealth. Among other things it called for cuts in defence spending and wage increases to be based on free collective bargaining.

"This disaster of unemployment is by no means modified by the slobbering commiseration of Ministers which cannot mask the savage brutality of their own acts," he said.

Programme

Mr. Scanlon said they had no apologies for the passage in their resolution dealing with free collective bargaining. If the clause in the resolution with the full emphasis on free collective bargaining was accepted it would give definition to the clause in the executive's document, and his union would vote for it.

Mr. Scanlon said they recognised that even in the operation of the clause of the resolution dealing with public ownership that much of industry would still be privately owned.

The policy in the resolution must be based on fundamental socialist belief that planning meant effective control.

"This not only means a programme of public ownership and control, important as that is, but control over foreign trade and movement of capital in and out of this country.

"We cannot have a viable economic strategy if it is subject to the whims of foreign financial institutions, and that goes for the Common Market or anything else."

A composite motion calling for radical extension of State employment services and clampdown on private employment agencies was moved by Mr. Clive Jenkins (Association of Scientific, Technical and Managerial Staffs).

"At the moment we still have a cattle-herding system for our working classes and it has got to go," he said.

It was appalling that a man who had just lost his job had to publicly lean on a counter and talk to somebody about his prospects and his social security benefits at the same time. The whole counter technique must go. The British worker should be able to take his problem to someone and be counselled in private.

Mr. Jenkins said the "noxious weeds" of private employment agencies were "creaming off the top of the market."

There were some simple reforms in working conditions that could be introduced. Employers should be compelled to give an employee over 55 at least six months notice of any danger to his job. There should be complete transferability of pensions for everyone who had paid into an occupational scheme.

British employers were basically unfettered. They did not have to notify employment exchanges if any major problems were coming up. The party should insist that obligation should be placed upon them.

Mr. Bob Cairns (Edinbugh Central) moved a composite resolution deploring the effect of Government policies on unemployment, particularly in Scotland, Wales and certain regions of England.

The resolution said the Government should be pressed to take action to reduce unemployment in view of the situation in Scotland.

Mr. Terry Davies (MP for Bromsgrove) said Labour could stand and fight on the NEC policy document and go forward to "many more Bromsgroves."

Mr. Denis Howell (MP for Smallheath, Birmingham) also welcomed the NEC statement. In addition to higher wages, he said the country must pay itself a better social wage in the form of earlier retirement, longer holidays, and a shorter working week.

Bomb hoax call empties conference hall

DELEGATES left the conference for 30 minutes during the morning session after Mr. Ian Mikardo, the party chairman, told them that police had been warned that 35 lbs of gelignite had been planted in the hall.

While the delegates waited outside the Top Rank Centre, police with dogs searched the hall but no bomb was found.

The warning had been made in a telephone call to the centre's switchboard. Mr. Wilson was not on the platform at the time

Mr. Mikardo had adjourned the conference just at the moment when a delegate from West Renfrew, Mr. Michael Gordon was saying: "I accuse this Government of sabotage against the British economy."

Benn: UCS workers are giving the lead

THE NEC had already made clear its complete opposition to the Government hiving off certain assets which were making a valuable financial contribution to the finances of national industries, Mr. Anthony Wedgwood Benn said at the end of a debate on industrial policy.

That statement went on: "We therefore believe that the next Labour Government should take back again into public ownership any such assets which have been hived off, without any compensation being paid."

There were people now contemplating acts of plunder of public enterprise. "They had better take note that this counts from to-day and not from some vague period in the future."

The NEC would bring before next year's conference its further findings dealing with a programme of public ownership.

There were many private industries, he said, which were not private enterprise at all in that they could not survive without massive subventions of public money.

The new company to take over UCS was, so far as he understood it, virtually to be given the assets, or given public money to buy assets in the name of private enterprise.

The national executive was not yet satisfied that enough areas of management decision in public enterprises had yet come properly within the ambit of the workers.

"Anyone who thinks that appointing Lord Robens to the Coal Board instead of a lot of coal owners in Socialism has another think coming," he said.

The Government's decision on UCS was "butchery" prepared in advance without discussion, and announced without regret.

"But Mr. John Davies forgot the workers on the Clyde on whose rock-solid strength his plan must founder. He thought his decision on UCS would be a nine-day wonder quickly forgotten. He was wrong.

"The arrogance of that man in indicating yesterday that unless the UCS workers accept his judgment they will all be out of work, has not been excelled by any Tory Minister in the twentieth century."

UCS workers had done more in 10 weeks to advance the cause of industrial democracy "than all the blueprints we have worked on over the last 10 years."

The last Government had not achieved all its objectives. "But we shall not win confidence again unless people know we as a movement are big enough to recognise our shortcomings and learn the lesson from our experience.

"The changes we contemplate cannot be made by Parliamentary action alone. It requires the active work of the industrial movement.

"The men at UCS are fighting to survive because they have no alternative. They are giving the lead to others and are educating themselves and others in the reality of their dilemma.

"They are generating a new leadership at shop floor level, and above all they are creating a climate not only to carry Labour to power but to sustain us there.

"Without the support of the industrial labour movement we cannot succeed, and without us they are left in a blind alley.

"If you want a responsible society you can only achieve it by sharing responsibility and if you want the confidence of the people you must have confidence in them."

Mr. Dan McGarvey (Boilermaker's Amalgamation) said the Upper Clyde Shipbuilders affair was only the tip of a very dangerous iceberg.

For nearly 20 years shipbuilding workers had been the "whipping boys" for Press and television commentators—"people who would not know a tanker from a trawler if they saw them both together."

He added: "Let this conference give the UCS workers some hope for the future by unanimously supporting this resolution."

Mr. David Welsh (Glasgow City Labour Party) said: "It is the duty of all affiliated organisations to assist. The Labour Party must be seen to be actively supporting the UCS workers in an action which will be writ large in the history of the working class movement," he said.

Mr. Ken Baker (shipbuilding officer, General and Municipal Workers' Union) referred to the "curse of fixed price contracts" and its effect on shipbuilding industries. Financial control of building, operations and costing of contracts was essential, he said.

The world shipbuilding industry did not operate in a free market. Every nation provided financial aid to its shipbuilding industry. To listen to Government Ministers speaking on UCS the public could wrongly draw the conclusion that only here in Britain was there any problem.

Sir John Eden had said that the collapse of UCS had shown the self-defeating effect of inflationary wage settlements in all its harsh reality. "That is untrue, and my union utterly rejects it," said Mr. Baker.

Mr. Hugh McCartney (MP for Dumbarton East) said he believed that Government discussions with shop stewards and other organisations involved in the Upper Clyde affair was merely a political exercise designed to allow the Government to organise its plans for the eventual decimation of all shipbuilding on the Upper Clyde. "No neo-Fascist Monday Club caucus is going to close the Upper Clyde to-day," he said.

Mr. Tom Jackson (general secretary, Union of Post Office Workers) said: "Unless adequate financial support comes for UCS workers this Government will do what they did with us. They will sit it out until hardship drives men back to work as in our case, or out of work as with UCS workers."

The boilermakers' resolution calling for full support for the UCS workers and the nationalisation of the shipbuilding and repair industry by a future Labour Government was approved.

Hiving-off warning

RAILWAYMEN would not co-operate with anyone who took over ventures which had been denationalised by the Conservatives, Mr. Sidney Weighell (National Union of Railwaymen) said.

Moving a composite resolution urging the next Labour Government to take back into public ownership without compensation any section of industry which the Conservatives had denationalised, Mr. Weighell said Mr. Wilson had not gone far enough on this issue on Tuesday.

"We will extend no co-operation to anyone who ventures into any denationalised section of our industry

Mr. Lawrence Daly (National Union of Mineworkers) said: "We must warn every speculator in Britain that they will have their fingers burned if they are prepared to touch these assets. We should warn the Tory Government that we are determined to put to an end their form of legalised gangsterism here in Britain."

The resolution was passed.

Council rents 'to go up 100% for 5½m.'

COUNCIL HOUSE tenants would be hit by the biggest rent increases in housing history in the next 12 months, Mr. Frank Allaun (MP for Salford East) said when he replied to a debate on several resolutions on housing.

The resolutions, which were approved, urged a future Labour Government to adopt among other things a time-table for the replacement of unfit houses, a nationalised construction industry, and to undertake an examination of the way in which finance was made available to public authorities and private house-buyers to remove the built-in subsidy received by private owners through tax relief.

Mr. Allaun said that next month Mr. Peter Walker, Secretary for Environment, would introduce a Bill implementing the so-called fair deal for housing.

"It will mean that on average 5½m. council tenants will face a 100 per cent. increase and some will have more. This is not just failure by Government to prevent an increase in the cost of living, it is a deliberate increase in a major item of working class expenditure."

Mr. Allaun said the NEC would be considering among other things what to put in place of the Land Commission, abolished by the Tories. "Either we have some new Land Commission with much sharper teeth, or some form of public ownership of land," he said.

He appealed to party members not to let the Conservatives drive a wedge between council tenants and owner-occupiers. They were both facing the same burden—extraordinarily high interest charges.

Of every pound of council rent, 80p went to pay interest to the investor of the loan.

Vehicle and General Tribunal of Inquiry

Former BIA chairman was convinced about solvency

FINANCIAL TIMES REPORTER

A FORMER chairman of the British Insurance Association, Mr. Francis Sandilands, told the Tribunal yesterday he thought the Vehicle and General Insurance Company was "beyond any question" perfectly solvent when it was admitted to membership of the association in November, 1966. He added that he still held this opinion.

Mr. Sandilands, who is vice-chairman and chief general manager of the Commercial Union Insurance Company, was giving evidence on the events leading up to the association approving the V & G membership. Mr. Sandilands was chairman of the association from 1965 to 1967.

Respectable

Questioned by Mr. R. I. Threlfall, QC, for the association, he agreed he made an internal note on October 21, 1966, saying that while there was no doubt that the company was at one time "steering pretty near the wind" there was a genuine desire on their part now "to go respectable." He said then that his view was they would be better in than out of the association.

One of the members of the Tribunal, Mr. Michael Kerr, QC, asked: "Suppose you had known that the Board of Trade had repeatedly asked V & G for run-off statements and had repeatedly met with evasive answers, that they had never in fact managed to obtain a run-off statement other than one single one, would you then have accepted V & G's assurances if you had known that they had been unable to supply any proper run-off statements at any time?"

Mr. Sandilands replied: "It would be a very easy thing just to say 'no' to that question. It is awfully difficult to judge at this distance of time. It would certainly have affected my judgment. The extent to which it would have affected it I find very difficult to say now. But it would undoubtedly have affected my judgment."

He said the association would have bene concerned if they had thought there was a serious under-provision for outstanding claims. They were under the impression there was not a serious under-provision.

He added that the three assets of the company were substantially above the solvency margin required by the Board of Trade.

Mr. Sandilands said he still thought the company was beyond any question perfectly solvent at that time. V & G's membership came before the council of the association on November 1, 1966, and was approved.

Replying to Mr. John Arnold, Q.C., for the Tribunal, Mr. Sandilands said the pro forma which V & G were using in 1966 for run-off statements for the Board of Trade was quite valueless for the purpose of showing how accurate their estimating system was.

Questioned by Mr. Peter Webster, Q.C., for the Department of Trade and Industry, Mr. Sandilands agreed it had always been the association's practice to examine applicants for membership very scrupulously to ensure that any company admitted was sound. He further agreed the association held out membership as a seal of reliability.

He agreed that when they admitted V & G to membership they were wholly satisfied about its then present solvency.

Mr. Webster: "Did you have any doubts when they were admitted about their future solvency?"—"No."

Mr. Sandilands said at that time there was a feeling in the BIA, which he shared, that the Board of Trade did not make full use of the powers they had under existing legislation, and they thought, very legitimately they had not got.

"Even allowing for that we thought they could have used a little more energy in trying to find out what lay behind the accounts of a number of companies we regarded as potential failures," he said.

Advantage

Replying to a question from the Tribunal's chairman, Mr. Justice James, Mr. Sandilands said that in considering applications for membership one of the things in the front of the association's mind was the desirability of the BIA being as representative of as wide a spread of the market as possible. For this reason they did not want to create unreasonable obstacles to membership.

When he expressed the opinion "better in than out" in relation to V and G one of the things in the back of his mind was that they were a company which had grown to a considerable size and by virtue of this size exerted considerable influence in the market—"thus it would be better as a member of the association than as a non-member," he said.

Mr. Sandilands, replying to further questions by Mr. Webster, said it was the general view of people in the market that V & G had gained an advantage in not operating knock for knock agreements. An important aspect of their business was the selectivity of their underwriting.

An ordinary-based company like his own, which had a portfolio consisting of all classes of fire and accident, including motor business, might well find itself in a situation where it could not be selective on its motor portfolio because if it did so it might prejudice an extremely valuable account.

Mr. Sandilands gave, as an example, the managing director's son who was not getting a fair deal for the insurance on his sports car and his father threatened to take all his business elsewhere.

Mr. Webster asked Mr. Sandilands: "Why do you think that V & G found themselves with an under-provision of £2½m. at the beginning of this year?"

Expansion

Mr. Sandilands said his reply would have to be to a large extent subjective, but in the first place he believed that following their entry into the association V & G embarked on a policy of expansion into fields other than those in which they already had experience. For example they bought the World Auxiliary company.

He added: "Next, I think they started to abandon their policy of a high degree of selectivity in the motor risks they underwrote.

"Thirdly, I believe they got caught in a situation where they were having to face, as we all had to face, inflation at an unprecedented rate which affected the outstanding claims provision. Any inadequacy there was going to be magnified."

Mr. Sandilands told the Tribunal this inflation happened at a time when, unlike earlier periods of inflation, the value of Stock Exchange securities was going down and not up. V & G had followed the practice of bringing into their profit and loss account dealing profits they had made on their investment.

"I would describe that as a legitimate practice but an unsound one," he said.

Mr. Sandilands said that when there were no dealing profits to be had this exacerbated a situation which was building up with a number of circumstances outside V & G's control. Added to this was the change in the policy of the company both in diversifying into fields where they had no previous experience and modifying to a large extent the previous policy of great selectivity.

Cordial

Mr. Templeman asked Mr. Sandilands whether there were sufficient cross-links between the BIA and the Board of Trade "to see that they ask the right questions?" He reminded him: "You are dealing with an industry in which there are hundreds of millions of pounds-worth of public money."

Mr. Sandilands said the relationship between the DTI, or the Board of Trade as it was then, and the association at personal levels was extremely cordial. They did not always see eye-to-eye on the powers the DTI had, and on the manner in which they used them.

He said that in his experience the flow of information was distinctly one-way. "We were giving the Board of Trade information, but we did not get very much back."

He was not being critical, because the association appreciated very clearly there was such a thing as confidentiality. The relationship was, however, probably as satisfactory as it could be.

Anxious

Mr. Sandilands thought that was a general feeling in the association that even with regard to the powers the Board of Trade acknowledged they had, there was perhaps "not a sufficient will or ability to use them."

Mr. Templeman asked whether V & G's crash had led him to form any conclusions as to whether there should be any change in the relationship between the association and the Board of Trade.

Mr. Sandilands replied: "Most anxious thought was going on in the association. These things will not be crystallised until after this inquiry."

But his personal view was that there must be changes. He considered the actual powers under the 1967 Companies Act could be strengthened in certain ways.

The department within the DTI responsible for the supervision of insurance business should be given enough money, and therefore enough capacity, to exercise their responsibilities under the Act.

He also believed that while the ultimate responsibility for supervision must lie with the Government department, the association should go a very long way towards helping, through their commercial knowledge of the business, in the exercising of powers under the Act.

Mr. Michael Kerr, QC, another member of the Tribunal, asked him in what respect did he think there were insufficient powers under the 1967 Act?

Mr. Sandilands said that one example was that the capital requirement for a new company starting should be higher than it was.

Questioned by the chairman, Mr. Justice James, about BIA's difficulty in obtaining a reliable type of run-off from V & G, Mr. Sandilands said that a substantial reason for admitting them to membership was that in view of its size and interest in the market generally it would be better to have them in than not.

The chairman asked: "Putting it more bluntly, was there an element of if you cannot beat them join them?" Mr. Sandilands replied there was not that element.

Mr. Webster asked Mr. Sandilands whether there was any particular reason why V & G was admitted to membership in 1966 when their application had been refused in 1964 and deferred in 1965.

Mr. Sandilands explained there were two reasons: One, that new money had come from America and, to his mind, the deficiency in V & G's provisions for "outstandings" owing to a misunderstanding at the gross and net amount, appeared to be much less than previously estimated.

The inquiry was adjourned until to-day.

GOLF: WORLD MATCH PLAY CHAMPIONSHIP

It looks like Nicklaus or Palmer

BY BEN WRIGHT

WENTWORTH, Oct. 6.

A LAST minute scare involving the health of Tony Jacklin momentarily interrupted some frantic barrel bottom scraping for items of newsworthy interest with which to preview the eighth Piccadilly World Matchplay Championship which begins at 9.15 a.m. on the West Course here to-morrow if early morning mist permits. To-morrow there are four 36-hole matches in the first round, two on Friday and the final over 36 holes on Saturday.

Jacklin became very ill indeed at the nearby mansion in which he is billeted for the week. All eight competitors have similarly sumptuous hired accommodation. At 3 o'clock this morning Jacklin was stricken down by a virus irreverently known as "Montezuma's Revenge" after a dinner party. Fours uncomfortable hours' later poor Tony had developed such a high temperature that Dr. Michael Loxton, the former captain of this club, was called in.

After the customary treatment for such painful illnesses, Loxton saw Jacklin again at lunchtime, and will see him again later to-night. He told me this afternoon that the former British and U.S. Open champion could have played this afternoon if it had been necessary. He is likely to play against three-times winner Gary Player to-morrow morning in the second match at 9.45, albeit with an above normal temperature. But Peter Oosterhuis, winner of the Harry Vardon trophy as leader in the British Order of Merit, will stand by in case Jacklin should suffer a relapse.

Jacklin's physical shortcomings that must follow such an affliction will very much lessen his chances and the appeal of his clash against the South African, since one imagines he is unlikely to last out 36 holes in his condition after a day in bed. If the weather is as beautifully sunny here as it was to-day, when the temperature rose into the 70s, Jacklin will spend an uncomfortable day. But who wouldn't elect to suffer considerably longer for the starting money of £1,500, which is received by those four players beaten in the first round?

The event lacks some of its magic because Lee Trevino, runner-up last year and since then the remarkable winner of the U.S., British and Canadian Open championships within a month this season, is not in the draw. Surely the PGAs of both America and Britain must try to get together quickly to ensure that the best players in the world are not engaged filming elsewhere—as is Trevino—when tournaments of this calibre are being staged.

In the top match, that most engaging of characters, the diminutive Formosan Liang Huan Lu, better known as plain Mr. Lu, has continually protested that the West Course is "vellee long," as is his opponent, the defending champion Jack Nicklaus from tee to green. In underplaying his chances, the charming Mr. Lu, who delights all with his continual smile and his habit of raising his pork-pie hat to the crowds at every opportunity, pointed out to some effect that he had reached the first green to-day with a drive, a three iron then a five iron. Nicklaus made nonsense of Mr. Lu's par five that way with a drive, a five iron shot and a single putt for an eagle.

Could the wily Oriental, who suggested amusingly that he should use the small ball and Nicklaus the large, be indulging in a subtle form of Chinese torture—a softening up process? The bookmakers do not believe so, Ladbrokes offering the popular Mr. Lu at 25-1.

Neil Coles, the Wentworth specialist, prefers home cooking and the fellowship of his charming family at his fine house at Burhill to the mansion with servants offered by the sponsors as a more suitable substitute for suites at the inaccessible Savoy Hotel. I confidently expect Coles to get the better of U.S. Masters and World Series of Golf winner Charles Coody, who looked even more weary than Coles long before our man came apart on the last afternoon of the recent Ryder Cup match in St. Louis.

Coody is offered at 8 to 1 by Ladbrokes, who go 5 to 2 Nicklaus, 4 to 1 Arnold Palmer, 5 to 1 Player, 6 to 1 Jacklin and 10 to 1 Bob Charles. In offering 8 to 1 against Coles reaching the final Ladbrokes have obviously taken into account the fact that he will have to meet Nicklaus in the semi-final if he gets past Coody—a tall order—but well within the compass of perhaps the most underrated world class player of all.

Player's latest gimmick, playing with his left heel raised well off the ground to lessen leg and body action and promote hitting with the hands, is unlikely to survive the week, despite the fact that the tip emanated from no less a figure than Henry Cotton. Since Player gained his successes largely from the strength he developed in his body and legs he would do well to play as he usually does—and does well as he knows how. How I wish the little South African would one day arrive at a tournament with no physical ailments and to confess that his marvellous method is in perfect shape.

Palmer's clash with the left-handed New Zealander Bob Charles at the bottom of the draw for the right to meet Player or Jacklin is an intriguing one. At 42 years of age, Palmer is currently enjoying yet another Indian summer, and has already won four tournaments and over $194,000 this season against Nicklaus's $207,000 plus. I doubt if Palmer has ever hit the ball better or more consistently from tee to green. But what is so much more important is that his putting has improved dramatically. His holing out looked massively certain in St. Louis, whereas it is in this department that Charles has lately lost a little of his magic.

In fact the New Zealander is lucky to be here on the evidence of his results this season, and I fail to see why the sponsors could not have invited the Spaniard Ramon Sota, supreme on the European Continent, or our own Oosterhuis. But the slim Charles will doubtless remember the putting miracles he produced here in winning two years ago, and could well become inspired by happy memories.

At 6,997 yards and par 74 the West Course is vastly overrated so far as the latter figure is concerned since all the six par 5 holes are within reach of the majority of the contenders. Compare with the par 70 of Firestone Country Club in Akron, Ohio, the World Series venue, whose length is well over 7,000 yards for instance, the once notorious "Burma Road" here is none too severe a test in normal conditions, but somehow its sedate and tree-lined acres have conjured high drama in most of the previous playings of this event. And let us face it, it is birdies and eagles the public wants to see.

Lastly, my forecast, for laughs at least. I fancy Nicklaus to beat Mr. Lu, Coles to beat Coody, Player to beat Jacklin and Palmer to beat Charles. I feel we could have a Nicklaus versus Palmer final for the first time, which would constitute a considerable golfing feast.

S. Africa's worry about U.K.'s EEC membership

FINANCIAL TIMES REPORTER

GLASGOW, Oct. 6.

SOUTH AFRICA was worried about the possible effects on its export trade should Britain enter the Common Market. Business people in Britain seemed to think the two-way trade would continue if Britain joined the EEC.

Mr. W. R. Stephens, leader of a 17-man South African trade Association mission to Britain said this to-night in Glasgow at the end of a fortnight's tour in the U.K.

Mr. Stephens said South Africa was particularly concerned about its agricultural products, especially canned fruit, which entered the U.K. duty-free.

There was an 18 per cent. tariff in Common Market countries. South Africa was hopeful that Britain would use its influence to reduce this import duty. The canning industry sales per annum were around £41m. The U.K. took £21m. of the £26m.-worth exported. Britain's exports to South Africa increased from £288m. to £338m. between 1969 and 1970, while South Africa's exports to Britain dropped from £306m. to £286m.

The effect of the 1970 trade was that South Africa experienced an overall trade deficit of £44m. as against a surplus of £30m. in 1968 and £42m. in 1969.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SOFTWARE

Growing a European group

GROWTH of CAP Europe, the multi-nation software house whose main supports are the U.K. and French operations, was running at the high rate of 60 per cent. for the 1971 operating year. Even allowing for the fact that several national companies in Europe were only recently formed, this is still exceptionally good in a period where so many software ventures have run into very rough weather.

CAP U.K. and CAP France have grown at the more normal rate for an industry in which explosive expansion is a commonplace of about 28 per cent. for the same period.

It looks as if the CAP organisation now has the right "critical mass"—a term used by Philippe Dreyfus, head of CAP Europe, to describe the number of professional staff required by any software organisation if it is to be able to meet most of the urgent demands for support from within computer using companies. This figure, he says, is easy to determine in function of the number of types of people an operator decides he has to have to meet random demand over a geographically wide market.

Even with 900 people there are some areas which CAP does not touch because it has not so far been able to acquire the professionals with the right qualifications in these disciplines.

Companies with fewer staff than the critical mass will go down either if they drop the quality of their work or if they fail to compete for significant contracts. The small company can therefore only survive through specialisation, Dreyfus says.

How to merge

This view of the software world is significant at a time when there is a movement to get the smaller U.K. and French houses to collaborate closely in the hope of capturing a large share of the very worthwhile business now emerging in Europe. CAP experience, which goes back to 1965, must be a valuable guide in any new partnership of this kind. Surprisingly both Dreyfus and Barry Gibbens, executive director for CAP U.K. and CAP Europe, are quite ready to talk about the organisation's early mistakes and what they did to overcome them.

There must be a constant and conscious effort to work out a common attitude, according to them. And the sooner this results in a form of collegiate management, so much the better. Even though this is slower to operate, it avoids costly errors. One aspect of this "growing together" is complete frankness about each partner's financial situation and prospects.

The language barrier is far less important than might be imagined. What is important is to understand the different attitudes to the job shown by staff trained in different countries.

It has not been easy to field multi-national teams and their support for budding ventures in the various countries of Europe has had as its counterpart a considerable strain on the resources of the two parent companies. Conversely, however, the fact that the 1971 recession in software came in the various countries at different times has meant that a certain amount of buffering was possible.

The future of the European computer industry is a matter of great importance for CAP and Dreyfus, making no claims for his own crystal ball, believes the next move almost certainly must be towards some form of understanding between Siemens and CII of France. Both have about the same strength and not too different equipment. Both have been the recipients of large sums of Government money to set them up and back their products. Asked where this leaves ICL, he told the Financial Times that at the moment the U.K. company was still too big; other Governments who had spent a lot on preserving a computer industry at home would want strong guarantees that their investment would not be wasted and it would not be until the Siemens-CII axis was well and truly established that any move towards association with ICL was likely to take place. By then, the Franco-German partnership would be about the same size as the ICL operation.

These moves certainly could take place over the next five years.

● QUALITY CONTROL

Improved component inspection

AUTOMATIC roll testers suitable for inspection and process control in gear production have been produced by J. Goulder and Sons, of Kirkheaton, Huddersfield, following co-operation with gear manufacturers and users.

The equipment, which is capable of detecting size changes, runout error and faults like nicks and burrs, has an operating cycle of eight seconds for an average gear of 3 inches diameter with 30 teeth.

Any kind of loading or sorting device can be used with the instrument which includes built-in protection against wrongly fitting gears. Another feature is the inclusion of a re-meshing system for use in the event of tip to tip contact.

Of interest to the mass gear producing industries in the diametral pitch (DP) range of 20-4, the unit requires a master gear for each DP being inspected. It is said to operate equally well for spurs, helicals or bevels.

The instrument can be built into a production line for 100 per cent. inspection or alongside for sampling. Recording facilities and statistical control accessories are available as extras, and the unit can be arranged to give a warning of the production of excessive sub-standard work.

Goulders roll tester will be displayed for the first time at the 4th National Engineering Inspection and Control Exhibition being held at the Royal Horticultural Hall, London, from October 12-15.

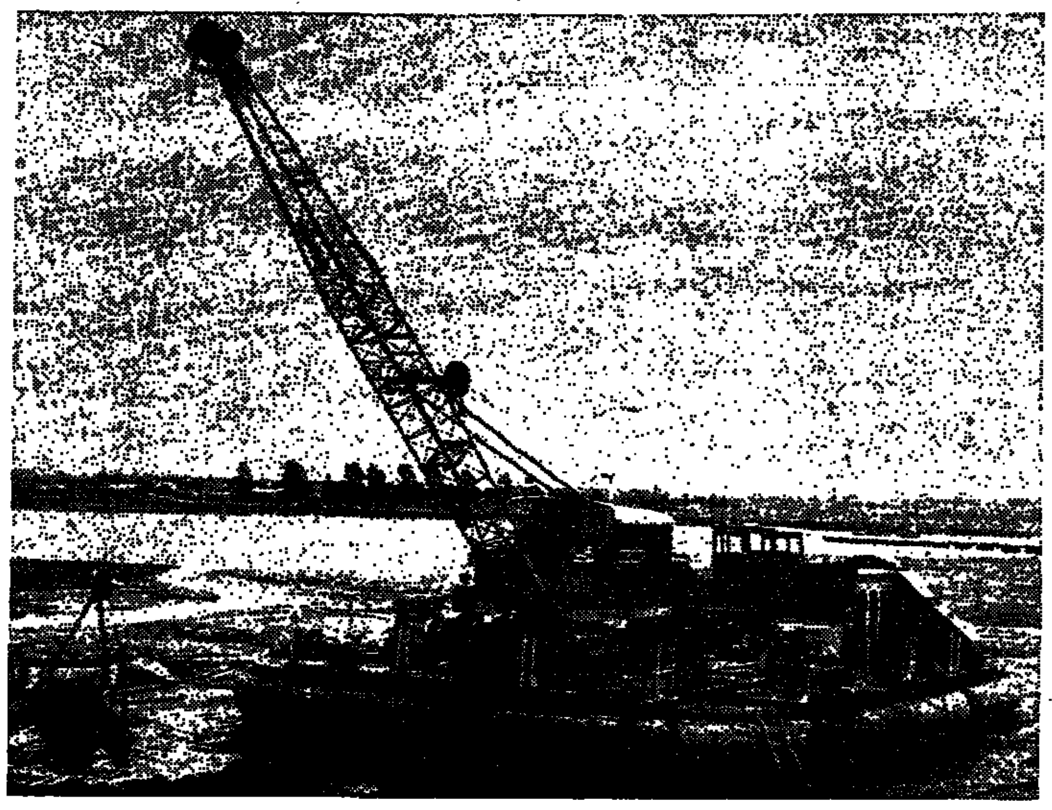
The organisers of Inspex '71 have received enquiries from every country in Western Europe and every country behind the Iron Curtain—except Russia—for tickets. A total of 22 countries will be represented at the conference and exhibition, including people from the U.S. and South Africa.

Another automatic inspection machine, for testing bearings and similarly-shaped components, has been developed by Teledictor, of Groveland Road, Tipton, Staffs. (a member of Duport Group).

Incorporating three of the company's probe-type crack detectors, the machine is capable of a continuous 3-second test cycle allowing 1,200 components to be dealt with per hour.

Every 3 seconds a component is completely inspected and ejected from the machine as an accepted or rejected specimen. The area covered by the inspection is the complete outer diameter, one entire face, and the other end face is tested at one selected point.

The machine incorporates independent automatic lift-off compensation on all three probe channels, to ensure eccentricity within the permitted limits.



This is a new heavy-duty amphibious platform supported by the same means as the Hovercraft, which has just completed successful proving trials in conjunction with a land reclamation contract in Portsmouth Harbour. It is based on the Unifiote pontoon from the Acrow Group and the supporting skirt system by Air Cushion Equipment.

● METALWORKING

Precision flame-cut sections

MACHINERY based on portal beam flame cutters, called Han-Commanders, for the production of precision flame-cut parts is being marketed by the Hancock Division of G. D. Peters and Co., of Windsor Works, Slough, Bucks.

The beams are internally stiffened lightweight boxes with typical deadweights of around 6 tons for a span of 41 feet. Drive is by pinion racks fitted to the webs of both support rails with speeds of up to 35 feet per minute.

Oxygen and fuel gas supply is via hose hanks running on large-diameter wheels offering little drag and eliminating dangerous suspended hoses. Several identical, or mirror-image parts can be cut simultaneously, the number depending on the number of burners fitted, which in turn depends on the span of the beam.

Standard high-speed burners for mild steel plate, or plasma arc burners, for stainless steel, carbon steels and aluminium, can be fitted.

Rotary flame-planning heads can also be fitted for plate edge preparation as well as pneumatic punch-marking tools. Machines can be built to any length, according to individual needs, and control should preferably be by numerical punched paper tape the company states.

Under numerical control, the Han-Commander has a guaranteed guidance accuracy of plus or minus 0.024 inch between any two points separated by a distance of 33 feet, and repeatability under the same conditions is plus or minus 0.016 inch.

This is the first system to come from Hancock Brennschneid Automatik GmbH of Frankfurt/Main, Hancock's new design centre in Germany.

Advanced Swedish machines

NUMERICAL control equipment for machine tools based on integrated circuitry has been introduced by Saab of Sweden. The range of equipment includes point to point, straight line and continuous path control systems.

The most advanced equipment is for three axis curved line control, with circular curve generation in two co-ordinates, and simultaneous line generation in the third co-ordinate, with buffer storage as standard. The resolution of the measuring system and the smallest increment which can be programmed is 0.001 mm. Feeds are programmed directly in mm/minute.

Combined absolute-incremental data input is provided and programming can be carried out in word address or tabsequential format, according to the EIA or ISO codes.

The Saab sales and service organisation in this country is at Wellcroft Road, Slough, Bucks.

● PRODUCTS

New pump from Denmark

ITS first multi-stage vertical in-line industrial pump has been developed by the Danish manufacturer, Grundfos. The pump can deliver over 130 gal/min with heads in excess of 500 feet. Stainless steel has been used extensively in its construction.

In-line suction and discharge ports simplify pipe joints. Where and when maintenance is necessary the design ensures this can be carried out easily and swiftly, it is stated.

Seven versions of the pump are available powered by 2 to 20 hp motors. The pump is suitable for a range of applications including package units, water board requirements, irrigation systems and industrial heating and ventilating systems.

The pumps will be assembled and marketed in this country by Grundfos Pumps, of Bletchley, Bucks.

Displaying the goods

SPHERICAL transparent display units for both decorative and merchandising applications in retail shops are being marketed by the Volumatic Company, of Taurus House, Kingsfield Road, Coventry.

Called Spheroids, the units are available in 14-inch and 21-inch diameter sizes. Each unit consists of two plastics half-spheres joined by plastics screws through a circumferential flange. In addition, a clear plastics disc is supplied which can be used as an internal platform for merchandise.

The spheres can be used to achieve a wide variety of attractive and decorative displays. They can, for example, be suspended at varying heights by chains or nylon thread or mounted on stands and used either purely for decoration or displaying goods placed on the plastic platform.

Alternatively, they can be separated and the half-spheres fixed to any flat surface to form attractive pilfer-proof displays of high-cost goods.

● CONSTRUCTION

Weathering of plastics

AS an extension of its work on the weathering of plastics, the Polymer Research School of Aston University, Birmingham, has been awarded a 3-year contract by the Department of the Environment for the development of environmentally stable plastics.

Of interest to the building industry among others, the research is to be carried out under Professor G. Scott in collaboration with the Building Research Station. A first year's grant of £22,308 has been made to the School.

Prof. Scott has also been awarded £7,655 by the Science Research Council in addition to a previous grant of £18,055, to continue fundamental work on the ultra-violet degradation of plastics.

Work has shown that plastics used in the packaging industry can be modified to disintegrate on exposure to sunlight. This has attracted the attention of major polymer manufacturers in the U.S. and Japan as well as the world packaging industry.

PETER CARTWRIGHT

Inhibits weathering of masonry

STAINING of building materials, like concrete, brick, stone and asbestos, can be reduced by the application of a colloidal dispersion called Silimer, produced by Standard Coatings.

Supplied as a ready-to-use non-toxic single-pack liquid, the material can be applied by brush, roller or spray to form a gel within the pores of the surface.

The material is not a solvent based solution. It is said to react with any absorbent surface to produce a linked silicone polymer. An algaecidal agent is incorporated in the dispersion for the control of algae and lichen.

Standard Coatings it at Greengate Lane, Kendal, Westmoreland.

Self-loading crushing plant

DESIGN of a large crawler-mounted stone and rock crushing unit for use in quarries or road-making has been completed by General Conveyors, of Royce Road, Peterborough, Northants.

Main advantages claimed are that it eliminates the need for dump trucks, a mechanical shovel and a separate crushing unit.

All operations—digging, scooping up and transferring of material to an impactor, crushing and discharging via a conveyor are carried out on the one unit. Two operators would be needed and output would be 140 tons an hour. Crushed material is deposited on the ground or direct into lorries. When used in road construction it would tow a screening unit.

The machine will be powered by a diesel electric unit. Estimated cost is between £80,000 and £90,000.

● RESEARCH

Seeing ultrasonic sound

SCIENTISTS at the Tube Investments research laboratories at Hinxton Hall near Cambridge have developed an instrument which shows, for the first time, ultrasonic waves travelling through solid materials.

The new technique is expected to speed development of better ways of testing steel tubes to detect flaws which could cause, for example, costly breakdowns in power station boilers.

Ultrasonics have been used for some years by TI to search for minute defects. The sound waves are injected into the tube and echoes are picked up from any imperfection in much the same way as Sonar is used to locate submarines.

Development of more refined ultrasonic tests to match increasing output rates and the increasingly exacting standards imposed by specifying authorities have been hampered by the fact that it has not been possible to discover how the sound waves behave inside the metal.

Using the Schlieren technique, TI has built a 30-feet long test tunnel in which ultrasonic pulses are applied to glass models of steel tubes suspended in water. An intensely bright flashing light beam accurately focused and synchronised with the ultrasonic pulses to within one two hundred-millionth part of a second "freezes" the minute changes caused by the sound waves in the structure of the glass.

The result is a view seen through an eye-piece or captured on film of the way the ultrasonic pulses behave. Controls allow the waves to be "slowed down" so that the researchers can see how they reflect from the tube walls and react to different types of defect. Associated computer programmes are being developed *to help interpret the results.*

The new technique is already assisting in the design of new types of ultrasonic test equipment for TI's tube mills which it is hoped will now work at higher speeds and with more accuracy.

TONY FRANCE

● MATERIALS

Odd alloy for magnet power

A NOVEL alloy and unusual processing combine to make permanent magnets as much as 250 per cent. stronger than present ones.

The alloy is cobalt and samarium. After the molten metals are mixed, they are solidified and the alloy is ground. The metal powder is then compacted, either by pressure or sintering, in a strong magnetic field.

The resulting magnet, says the Research Center, General Electric Company, P.O. Box 8, Schenectady, N.Y., U.S., can have a gauss-oersted value of 25m., compared to 5 to 10m. for existing magnets. The advantage is that smaller magnets—much cheaper than the platinum-cobalt ones—can be used to establish magnetic fields of the same strength.

The new magnets are already in use in travelling wave tubes and are expected to find a market also in motors and instruments, electric watches and such biomedical devices as hearing aids.

Sprays away the fog

SMOG and polluted air can be removed by spraying a fine fog of cleaning liquid on it.

The liquid can be applied from helicopters with nozzle booms or can be sprayed into industrial plant emissions, says Guardian Chemical Corp. of 230, Marcus Blvd., Hauppauge, N.Y., U.S. Guardian did not make public the formula for its cleaner, but the company has been active in dealing with oil spills on water.

The liquid, called Polycomplex R, can remove unburned oil, soot, dust, acid gases and sulphur dioxide from the air layer over cities, the company says. It claims the material is non-toxic, odourless in the concentrations used, and soluble in water.

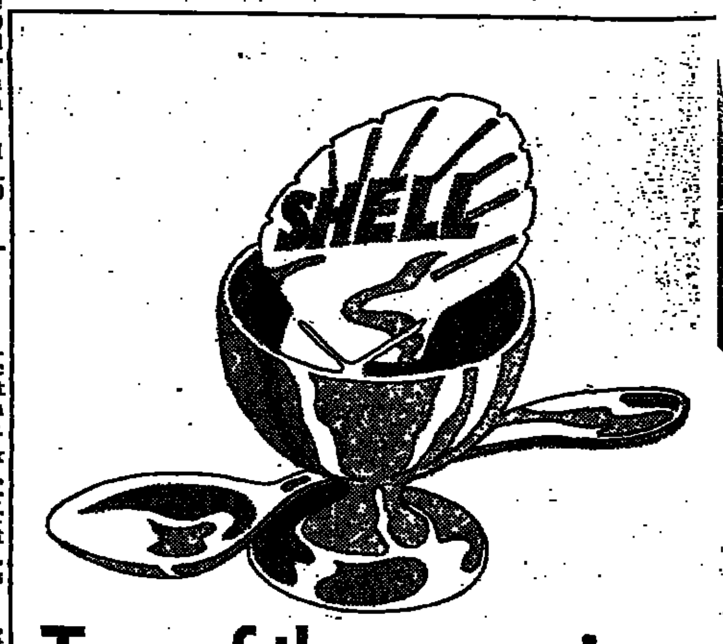
Used against plant emissions, the cleaner is said to take out fly ash, oil, mist, soot and acid components such as sulphuric and nitric oxide-forming compounds.

● TRANSPORT

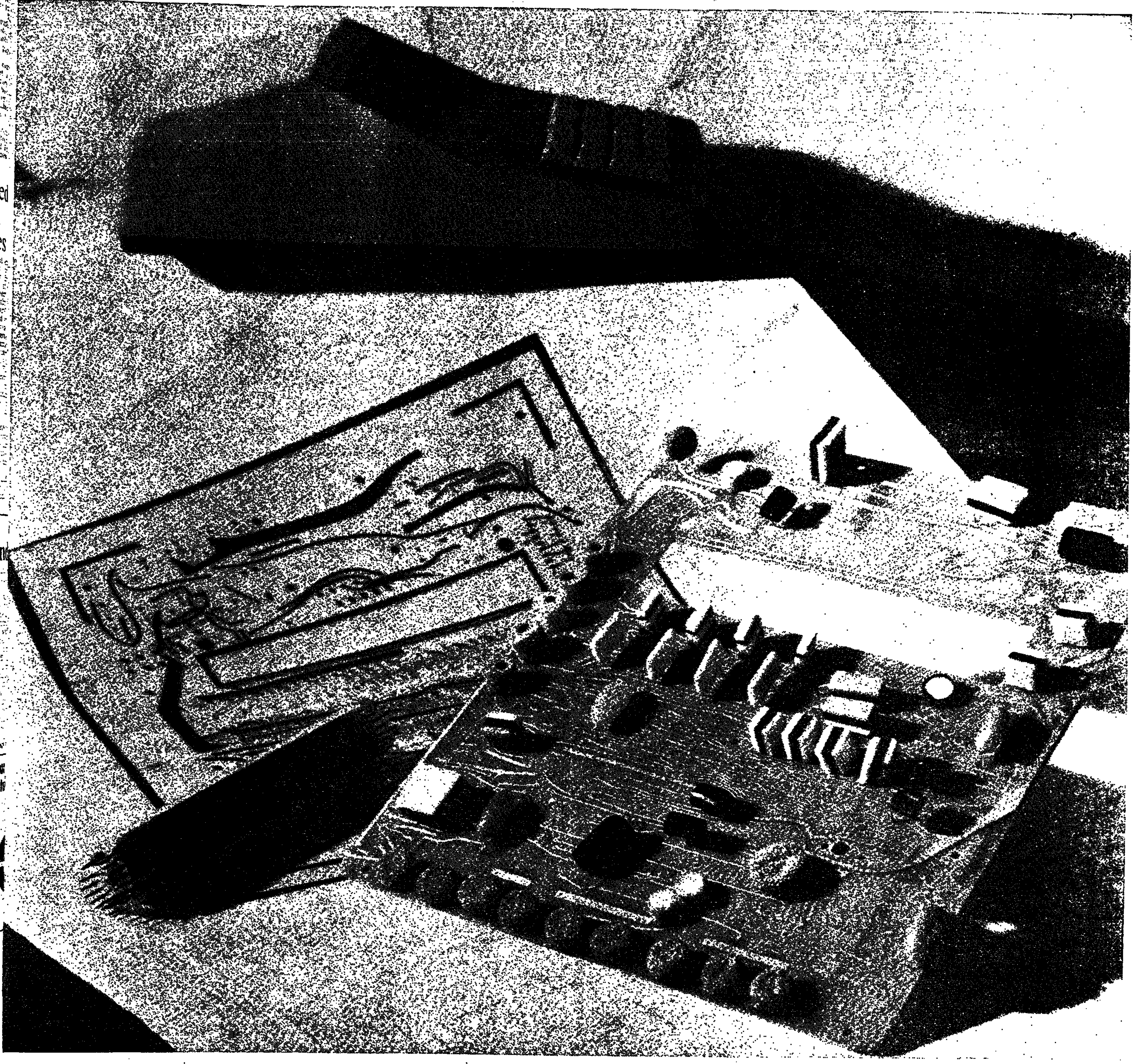
Car thieves foiled by the brakes

WHILE most automobile locks are aimed at the ignition or the steering system, a novel approach to security now locks the brakes in the "on" position. The system uses a special valve in the hydraulic lines of the braking system. When locked, it prevents the return of the hydraulic fluid to the master reservoir, thereby keeping the brakes applied so the car cannot even be towed away.

The lock for the hydraulic valve is a combination type with several thousand possible combinations. Gerald C. Bower, Inc., Box 1,631, Orange, California, U.S., says the lock is virtually "pickproof" and indestructible. It is installed near the ignition lock and can be actuated at the same time.



You can do ~~all sorts~~ of calculations on BROCK~



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New driving licence would last for life

MR. JOHN PEYTON, Minister for Transport Industries, announced yesterday that the Government proposes to make driving licences valid for life, but with new medical safeguards. The only exceptions would be Heavy Goods Vehicle, Public Service Vehicle and provisional licences and those issued for limited periods on medical grounds

The move to life licences from the present three-year licence would save 350 staff in the Department of the Environment Licensing Centre at Swansea, involving about £1m. a year in staff and operating costs.

Interested organisations are being consulted about the proposal, which would require legislation.

At present, full driving licences are generally valid for three years and costs £1. Under Mr. Peyton's proposals a "life licence" would cost £5. Drivers suffering from certain medical conditions—including controlled epilepsy and disabilities likely to change with time—would however be given licences only for an appropriately limited period. The fee for these licences would continue to be £1.

Discretion

The present three-yearly declaration of medical fitness would be replaced by a new statutory obligation on all licence holders to notify the Licensing Centre immediately they became aware of any disease or disability which might have more than temporary effect on their driving ability.

Wider discretionary powers would be sought to reduce or revoke licences where there is reason to doubt the driver's medical fitness. The applicant or licence holder would be required to authorise his doctor to give information to the licensing authority and in appropriate cases to submit to an independent medical examination.

Before a licence could be refused or revoked, the licensing authority would have to be satisfied that the applicant or licence holder would be likely to be a source of danger if he were to drive. The present provisions for appeal to the Magistrates' Courts (Sheriff Courts in Scotland) would remain.

The new system would begin towards the end of 1973 when the issue of licences is in any event to be centralised and would be completed over a three-year *period as existing licences became* due for renewal. Drivers qualifying for their first full licence would also receive a "life licence" from the start of the changeover.

The life licence would cover only the group or groups of vehicles which the driver was qualified to drive at the time of issue. If a driver wanted to extend his licence to cover other groups he could apply for an exchange licence with the support, where necessary, of a driving test pass certificate.

France, West Germany, Sweden and Switzerland already issue driving licences valid for life.

Market entry will benefit retailers claims Sir John

FINANCIAL TIMES REPORTER

THE NEED for increasingly efficient and imaginative retailing once Britain is in the Common Market was stressed at Harrogate yesterday by Sir John Eden, Minister for Industry.

"As a major service industry, *retailing is vital to the strength* and growth of our whole economy," he told a Menswear Association of Great Britain convention.

Prosperity

"Through membership of the European Economic Community we shall get the opportunity to achieve a faster rise in prosperity. *In* those circumstances both retailers and manufacturers of menswear will want to be in a strong position to make the most of a larger and increasingly more affluent market."

Provided they made sufficient preparations, there would be rapidly growing scope for U.K. products as tariffs came down. At the same time, he pointed out, manufacturers in the Six would certainly be considering the British market's potential for European fashion lines.

Despite the present high Common Market tariff on menswear, Sir John said some British manufacturers were already taking more interest in the EEC market. But total menswear exports to Common Market countries were still small. In 1970, their total value was only £5.5m., an average of about 6p for every male in the Community.

Referring to discussions between the Retail Consortium and the Customs and Excise on Value Added Tax, Sir John maintained the retailing system which had made so rapid a transition to decimals should take VAT "in its stride."

Earlier, he pointed out that consumers' expenditure per head in the EEC had gone up by 4.3 per cent. a year between 1958 and 1969, compared with only 2 per cent. in Britain.

£50,000 GRANT FOR CRAFTS

The Crafts are to get £50,000 in the current financial year, Lord Eccles, Paymaster-General with responsibility for the Arts, told the Crafts Advisory Committee at its first meeting in London yesterday.

"With this sum you can recruit *your staff and make a start,*" he said. The crafts had waited a long time to receive recognition similar tothat given tothe arts, he added.

The committee would seek ways of increasing output while aiming at still higher standards. It would also make efforts to put the craftsman in closer touch with his customers.

U.K. ECONOMIC INDICATORS

		1971			1970	
General	Unit	Sept.	Aug.	July	Sept.	Aug.
Unemployment¶...	'000s	884	859	786	628	606
Unfilled vacan's¶	'000s	169	179	193	261	272
Bank advances ...	£m.	5,877	5,852	5,989	5,728	5,818
Gold reserves	£m.	2,089	2,003	1,613	1,111	1,147
		1971			1970	
		Aug.	July	June	Aug.	July
Basic materials and fuel prices††	1963=100	139.1	138.9	137.4	126.1	127.5
Wage rates	Jan.'56=100	223.8	222.6	220.9	198.1	196.1
Retail prices	Jan.'62=100	155.3	155.2	154.3	140.8	140.9
Retail sales val.**	1966=100	136.6	134.3	131.5	124.6	123.3
H.P. Debt¶	£m.	1,459	1,407	1,403	1,316	1,306
		1971			1970	
		July	*June*	*May*	*July*	*June*
Terms of trade ...	1961=100	108	108	108	102	102
Industl. output**	1963=100	125.6	126.4	126.1	122.8	123.8
		1971			1970	
Trade and Industry		Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
Imports f.o.b.**...	£m.	701	718	707	729	638
Exports f.o.b.**...	£m.	769	762	721	499	631
Visible trade balance**	£m.	+68	+44	+15	−230	−7
Steel (wkly. av.)*	'000 tons	446.4	390.5	468.9	499.8	523.6
TV sets†	'000s	221	179	168	127	161
Radios, r/grms.†‖	'000s	63	69	67	58	70
Cars*	'000s	118.9	85.7	138.3	95.9	135.4
Comm. vehicles*	'000s	28.26	27.49	37.37	25.22	36.84
Houses compl't'd¶	'000s	26.0	31.3	27.9	27.6	28.3
Man-made fibres*	m. lbs	100.0	113.7	112.3	100.4	110.3
Cement (weekly average)*	'000 tons	337	362	336	341	318
Bricks*¶	millions	500	535	533	452	497
		1971			1970	
		July	June	Jan.-July	July	Jan.-July
Cat'ring turnover	1964=100	152	146	147	159	131
Mtr. trd. turnover	1967=100	144	153	144	124	126
Furniture†	1963=100	122	118	132	98	113
Hosiery*	1963=100**	158	143	151	141	148
Engin. and Elec. (orders on hand)	Dec.'63=100	120	117	119	122	120
Made-up clothing (orders on hand)**	Dec.'62=100	168	174	167	145	146
		1971			1970	
		June	May	Jan.-June	June	Jan.-June
Raw wools§	m. kilos	12.1	13.1	12.5	14.4	13.9
Textiles (orders on hand)**	Dec.'62=100	125	124	122	130	132
Petroleum†	m. tons	6.51	6.65	7.84	6.21	7.64
Electric cookers†	'000s	75.4	83.7	77.4	69.6	64.6
Washing mchns.†	'000s	47.9	51.3	57.0	59.4	55.8
Raw cotton (weekly av.)§ ...	'000 tons	2.47	3.10	3.01	2.74	3.34
		1971			*1970*	
		2nd qtr.	1st qtr.	Year to date	2nd qtr.	Year
Factory approvals	m. sq. ft.	14.9	18.2	33.1	23.6	88.4
Consumer spending**	£m. 1963 values	5,940	5,813	11,753	5,819	23,342
Machine tools† ...	£m.	45.6	55.6	101.2	48.3	198.7
Building and civil engineering* ...	£m.	1,384	1,238	2,622	1,261	4,971
		1971	1970			1969
		1st qtr.	4th qtr.	1st qtr.	Year	Year
Plastics*	000's metric tons	375.8	381.4	354.3	1,486.6	1,350.0

* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain, not seasonally adjusted. ** Seasonally adjusted. †† All non-food manufacturing industries. ‖ Excluding car radios.
NOTE—Foreign Trade figures are seasonally adjusted.

Film demonstrates value of training

BY ELSBETH GANGUIN

IN KEEPING with the Government's aim of intensifying the country's industrial training effort, the Department of Employment yesterday presented its new film, "Training Pays."

Addressing itself largely to management, the 17-minute film sketches one training failure, complete with costs and human frustrations. Next, however, comes a string of training successes, including one where the net benefit of systematic training in a machine shop added up to £20,000 on direct costs during the first year.

Not only were there financial gains, but recruitment became easier and labour turnover dropped.

A small business in the production, packing and distribution of farm products had trouble with its beet harvesting, until an Industrial Training Service man came along and, after studying the methods involved, suggested tractor driver and management training.

Training—at chemists' shops, for scaffolders, and for glassblowers (where the former five-year apprenticeship was cut down to 12 months)—is also presented in short, sharp sequences.

The film—available in 35mm. and 16mm. colour—is a timely reminder that effective training saves time, energy and money.

It was produced for the Department of Employment by the Central Office of Information, and can be hired or bought (minimum hiring charge £1.60, purchase price £47.25) from the Central Film Library, Government Buildings, Bromyard Avenue, London, W.3, or from its associate libraries in Glasgow and Cardiff.

FORMER MALTESE MINISTER CHARGED

By Our Own Correspondent

VALLETTA, Oct. 6.

The former Maltese Health Minister, Dr. Alex Cachia Zammit, was to-day charged before a Malta court with stealing secret and confidential Government files. Dr. Cachia Zammit, a bank official, was *arrested in June after files and* Government documents were discovered hidden under false flooring of a house.

If Dr. Cachia Zammit is convicted, he will lose his seat in Parliament, and Premier Dom Mintoff would increase his slender one-seat majority.

CBI INDUSTRIAL TRENDS SURVEY

Recovery in confidence is now under way

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

U.K. INDUSTRY is slowly regaining its confidence. The latest industrial trends survey by the Confederation of British Industry, published to-day, suggests that a recovery in activity is about to take place, although the rate and timing of this expansion is still in doubt.

The study, carried out among 1,300 member companies of the CBI which provide some 45 per cent. of the country's manufactured exports, is much more encouraging than the previous survey, produced in June.

Nevertheless, it is clear from the report that a considerable sector of U.K. industry is still working below capacity, that most companies are still anxious about a lack of orders, and that investment, although less depressed, is not moving forward.

More hope

Despite these qualifications, however, it is clear that the Government's reflationary measures, introduced seven weeks before the CBI inquiry took place, have led to a more optimistic atmosphere within industry, only slightly dampened by the restrictions on trade imposed by the U.S. later.

This revival of general business optimism is probably the most encouraging feature of the survey.

In June there were 10 per cent. respondents who were less confident about their prospects than those who were more optimistic. Now the balance has swung the other way, and there are 16 per cent. more optimists within industry than pessimists.

Unfortunately, this upward swing, the biggest for several years and presumably attributable to the Government's July measures and to the CBI's own initiative on prices restraint, has not yet been fully translated into increased industrial activity.

Over the past four months, since the previous survey, there has been an increase in the percentage of companies working below capacity from 63 per cent. to 67 per cent. In fact, the number of companies naming a lack of orders or sales as a factor likely to limit output over the next four months remains very high at 78 per cent. Elsewhere, however, there are definite signs that a recovery in activity is about to take place.

Although there are still more concerns which expect to authorise less capital expenditure on plant and machinery over the next 12 months than those which plan increased investment, the negative balance has fallen from 31 per cent. in June to 13 per cent.

This figure still implies that manufacturing investment in 1972 will be somewhat lower than in 1971, but indicates that the scale of the reduction may be somewhat less than has been feared.

Improvement

Additionally, there has been some improvement in industry's order intake over the last four months. Some 31 per cent. of those taking part in the survey reported that the value of total new orders over the period had risen, 32 per cent. reported no change, and 32 per cent. a reduction. The question was not applicable to the other 4 per cent.

More significantly, only 12 per cent. expect a further fall in the value of new orders over the coming four months, while 41 per cent. anticipate an improvement.

An equally strong improvement in the output trend is also expected, although in intepreting this reponse it must be noted that the CBI question on this subject is phrased in value terms. It can be assumed that in real terms the position is less favourable.

Although still high, the advance in average costs per unit of output over the four months to the end of January is expected to be less severe than the actual increase of the last four months.

Between June and September unit costs went up for 74 per cent. of the respondents and fell for only 3 per cent. But only 60 per cent. anticipate a further rise, while 5 per cent. expect some fall.

The forecast rise in prices is also less alarming. There are some 22 per cent. more companies expecting prices to increase further than anticipating a fall.

On the export front, the negative balance for optimism has lessened from 14 per cent. to 2 per cent., despite the U.S. Administration's restrictions. Some 18 per cent. of the companies participating in the survey are more optimistic about their export prospects than they were four months ago, 62 per cent. felt much the same now as then, and 20 per cent. expect some deterioration in their performance.

The CBI pointed out yesterday that an examination of past returns suggests that the changes may indicate the beginning of expansion which will show itself in official figures within the next six months or so.

Unemployment

The survey does not suggest that there is any prospect of a reduction in unemployment in the near future. Some 31 per cent. of the 1,300 companies taking part expect a further drop in their labour force, while only 12 per cent. plan to take on more workers.

Industry has emphasised that there is usually a substantial time lag between Government reflationary measures and increased output and employment.

It is clear from the survey that although the relative improvements from low levels are rather more apparent in capital goods industries than in consumer goods, it is still the consumer sector which is the more buoyant. The capital sector remains somewhat depressed.

General optimism is greater among the larger concerns, but in their investment intentions they are more pessimistic. It appears that the increase in activity, whenever it comes, will be fairly well spread over small, medium and large concerns.

The significance of financial constraints appears to have lessened. Credit or finance problems are now named by only 6 per cent. of respondents as a likely limit on output over the next four months, compared with the steady 10-11 per cent. of the past two years.

Fewer companies are naming prices, compared with those of overseas competitors, as a factor likely to hold back export growth over the coming months. Nevertheless, with 54 per cent. listing prices as an obstacle, this is still the biggest single constraint.

Deliveries

The difficulty of meeting delivery dates was mentioned by 16 per cent., credit or finance by 12 per cent., quota and import licence restrictions by 20 per cent., and political or economic conditions abroad by 48 per cent.

In June, 43 per cent. of the respondents referred to political and economic conditions overseas as a limiting factor, and the 48 per cent. response now is very high.

In a supplementary inquiry made by the CBI, a likely recession in trade in overseas markets was listed as the most important limitation on export order intake. It was cited by almost 40 per cent. of the sample, while the U.S. import surcharge was named by almost a third of the companies taking part.

DETAILS OF TRENDS

TOTAL TRADE.—1,330 respondents. All figures are percentages based on a weighted sample. Figures in parentheses show the response to last June's questionnaire.

	More	Same	Less
Are you more, or less, optimistic than you were four months ago about the general business situation in your industry	31 (19)	55 (52)	15 (29)

	More	Same	Less	N/A
Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months on: (a) Buildings	16 (14)	37 (28)	41 (51)	6 (7)
(b) Plant and machinery	24 (18)	38 (31)	37 (49)	1 (2)

	Yes	No	N/A
Is your present level of output below capacity (that is, are you working below a satisfactory full rate of operation)	67 (63)	32 (36)	1 (1)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months with regard to:

	Past four months Up	Same	Down	N/A	Next four months Up	Same	Down	N/A
Numbers employed	14	39	46	1	12	57	31	1
Value of total new orders	31 (31)	32 (26)	32 (38)	4 (5)	41	43	12	4
Value of output	37	33	28	1	42	43	13	1
Stocks of: (a) raw materials and brought in supplies	21	45	32	2	14	52	32	2
(b) finished goods	24	41	25	10	14	47	30	10
Average costs per unit of output	74	21	3	2	60	33	5	2
Average selling prices	41	50	6	2	26	67	4	3

What factors are likely to limit your output over the next four months. Please tick the most important factor or factors:
Orders or sales 78; skilled labour 13; other labour 2; plant capacity 13; credit or finance 6; materials or components 5; other 4.

EXPORT TRADE

The 954 respondents completing the following questions have direct exports exceeding £10,000 per annum.

	More	Same	Less
Are you more, or less, optimistic about your export prospects for the next 12 months than you were four months ago	18 (14)	62 (58)	20 (28)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months with regard to:

	Past four months Up	Same	Down	N/A	Next four months Up	Same	Down	N/A
Value of new orders received for export	24 (31)	42 (33)	26 (34)	8 (2)	31	50	12	7
Value of export deliveries	33	44	21	2	31	51	16	2
Average prices at which exports are booked	27	56	11	6	30	59	6	5

What factors are likely to limit your ability to obtain export orders over the next four months. Please tick the most important factor or factors.
Prices (compared with overseas competitors) 64; delivery dates (compared with overseas competitors) 16; credit or finance 12; quota and import licence restrictions 20; political or economic conditions abroad 48; other 6.

Heathrow flightpath confirmed

By Michael Donne

THE EXPERIMENTAL routeing of outbound aircraft from Heathrow Airport, London, westwards along the so-called Woodley-Midhurst path is to be permanent, says Mr. Michael Noble, Minister for Trade at the Department of Trade and Industry.

Aircraft using the Woodley-Midhurst route are higher and spread over a wider area covering Camberley, Aldershot, Farnham and Haslemere, all in Surrey and Hampshire, whereas traffic on the alternative Dunsfold route is lower and concentrated over densely populated urban areas such as Woking and Guildford.

The total population overflown by airliners using the Woodley-Midhurst route is about one-third less than on the Dunsfold route, and although in the later stages of the Woodley-Midhurst there are more areas of population, the aircraft are much higher.

Big increase in aircraft near misses

THERE WAS a big increase in the number of mid-air "near miss" reports involving civil aircraft over Britain last year.

In 108 reports involving civil aircraft, 31 were close enough to cause anxiety, and in 11 there was a risk of collision, says the annual report on air accidents in 1970 published by the Department of Trade and Industry. In the other 66 cases there was no danger.

The report says there were 13 accidents involving British passenger aircraft, two of them fatal, during 1970. This compared with ten the previous year, of which one was fatal.

The overall safety level for passenger aircraft based on miles flown showed continued improvement. But there was a slight reversal in the improvement of the overall accident rate based on the number of passengers carried. This was because of the crash of a Dan-Air Comet 4 near Barcelona in July, 1970, in which 105 passengers and seven crew died.

There were 157 accidents involving non-passenger aircraft during the year, of which 19 were fatal. This compared with 119 accidents in 1969, of which 17 were fatal.

£442m. spent on five nuclear reactor systems

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN HAS spent £442m. on the five nuclear reactor systems under development for power generation in Britain, and a further £130m. on reactor systems generally. Future expenditure on these systems is expected to add another £175m.

These figures are given—for the first time—in the report of the Comptroller and Auditor General appended to the Annual Report of the U.K. Atomic Energy Authority, published yesterday.

A breakdown of these figures gives £20m. as the sum spent on the development of the Mark 1 (magnox) system, of which Britain has installed design capacity of 4,800 MW. A further £114m. has been spent on the Mark 2 (AGR) system, of which Britain is building 6,200 MW.

Fast "breeder"

The cost so far of the Mark 3 or high-temperature reactor has been £25m., and a further £32m. will be needed to turn this reactor into a commercial system.

The steam-generating heavy water reactor (SGHWR) has cost £78m., and another £16m. "would probably be necessary if the system were to be installed for commercial use on a substantial scale"

By far the largest expenditure, however, has been incurred by the fast "breeder" system, £205m., and this reactor still needs another £124m. to complete the development programme.

The economic consequences expected from this expenditure, says the comptroller, are a substantial loss on the Mark 1 system, a gain from the remaining thermal reactors estimated by the UKAEA at £1,000m., and a gain also from the fast reactors estimated at £1,300m.-£1,500m.

He adds, however, that a report in June 1970, by a Steering Group on which the Generating Boards and the nuclear design and construction companies were represented, put the saving from fast reactors at £220m.

The point has been referred to the Vinter Committee, convened to advise the Government on future reactor policy, whose report is anticipated in the next few weeks.

The development effort for the next five to ten years, said Sir John Hill, chairman of the U.K. AEA, presenting his annual report, would concentrate on improving the existing systems. This would call for "a very substantial programme," he said.

He gave no hint of any impending reorganisation of the Authority, beyond saying that he believed it had seen "enough changes to last a few years."

Two sectors of the Authority's activities since split off to form public companies had had a successful year, he said, with export records that were especially pleasing. The Production Group (now British Nuclear Fuels) increased exports by 22 per cent. to £5.4m.

Total value of new fuel export business received during the year was £7.3m., leaving outstanding export business by the year's end at £21m.

The Radiochemical Centre has increased exports by 16 per cent. to £2.8m., over 60 per cent. of its total sales of £4.8m.

U.K. Atomic Energy Authority, 17th Annual Report and Accounts, 1970-71; SO, 85p.

Training saves ice cream maker £3,380 a shift

BY ELSBETH GANGUIN

A SAVING of £3,380 by an ice cream producer followed the introduction of a "precisely timed training programme with clearly defined quality standards and safety factors" for one shift of production workers.

A brewery reduced its wastage by 2,724 gallons, an improvement of 56 per cent., following a three-day course on bar management.

These two examples of "training pay-off" are quoted in the Food, Drink and Tobacco Industry Training Board's annual report, published yesterday.

The ITB says it continues to place great emphasis on running working parties with trade associations, industrial advisory groups, trade unions and others, in order to ensure constant consultation.

During the year, a special grant scheme for smaller companies (with payrolls below £100,000) was developed, based on a questionnaire "designed to help managers assess major areas of training need." Reaction to this scheme was "excellent."

A research project on the training needs of smaller businesses should, it is hoped, lead to the establishment of appropriate management training courses.

Food, Drink and Tobacco Industry Training Board Report for 1970-71; SO, 45p.

McDonnell Douglas STOL aircraft group

By Michael Donne

McDONNELL DOUGLAS, the U.S. aircraft manufacturer, has set up a new STOL (Short Take-Off and Landing) aircraft group, to study this next major generation of civil aircraft.

Heading the new group as vice-president and general manager is Mr. Robert E. Hage, formerly vice-president, engineering, of the company. He will report to Mr. Jackson R. McGowen, president and chief executive of Douglas Aircraft Company division of McDonnell Douglas.

Mr. McGowen comments: "The health of our transportation industry and the economic well-being of our nation have been increasingly aggravated by the urban congestion crisis, and we have decided to form the strongest technical team possible to tackle the STOL challenge."

Forces' pay rises cost £29m.

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE 7 per cent. pay rise for the forces from last August 1—announced on August 4—will cost about £29m. in 1971-72, according to a White Paper published yesterday.

Examples of the rises given in the White Paper show that a Brigadier will get £387 more a year, raising his pay to £6,136; a Naval Commander will get £270 more, at £4,103; a Squadron-Leader £204 more at £3,124; an Army Captain £157 more at £2,402; and a Lieutenant £128 more at £1,971.

Increases for other ranks range from £1.33 a week for an ordinary rating up to £3.43 for a Chief Artificer or equivalent.

Officers above the rank of Brigadier (and equivalents in other services) were excluded because their pay was increased from last January 1 and will be considered in future by the Top Salaries Review Body.

Against pay rises, however, the charge for food paid by single servicemen living in baracks was increased from August 1 from 36p to 39p a day, while most married quarter rents were raised by the same percentage as pay. These increases will provide an extra £2.2m. in 1971-72.

The rates of retired pay and pensions were also raised by about 7 per cent., and will cost about £1.2m. in 1971-72.

White Paper on Service Pay, Charges and Pensions (Command 4788), SO, 40p net.

HOME CONTRACTS

West's (Manchester) wins £¼m. NCB order

West's (Manchester), a WGI company, is to supply a double stream static coal screening and handling plant under a £260,000 contract from the opencast executive of the National Coal Board.

*

Computer and Systems Engineering has been awarded a contract by the Post Office Corporation for time division multiplexers and associated test equipment. The order is valued at over £175,000.

*

Bridport-Gundry has won several Government contracts worth about £100,000 for twine, cordage and netting. The largest is from the Ministry of Defence for nearly 70 tons of special netting to be used for camouflage purposes by the armed forces.

*

Brightside Heating and Engineering has won a contract worth nearly £98,000 for mechanical engineering services in two blocks of a new office precinct in Birmingham for Laing Development Company.

*

Turriff has gained a £160,000 contract to build a 39,000 square feet factory extension for Serck Controls.

BIA joins campaign against thieves

WITH INDUSTRY continuing its drive to reduce losses through theft, thieves are turning more and more towards household properties. Thefts in 1970 from homes increased by 13 per cent. over the previous year, whereas those from industry dropped.

If more householders took a similar interest in security as does industry, they could help to put burglars out of business, says the British Insurance Association.

This is the theme of a leaflet "No Place Like Home—for Thieves," produced by the association. It sets out basic precautions against theft which all householders should take and the reasons for them.

A million copies of this leaflet are being printed by the association as a major contribution towards the Home Office crime prevention campaign which was launched yesterday.

The campaign throughout England and Wales is based on the slogan "Watch Out! there's a thief about." and will be promoted in television commercials, press advertising and posters. In all, the campaign will cost about £188,000.

Mace make price-mark policy change

ON October 25 Mace is to introduce a new price-marking policy on its promotional point-of-sale material and leaflets.

Those promoted lines which have a published manufacturer-suggested retail price will be shown with that price crossed out and the Mace offer price below.

"Recently, multiples have re-established the mark-down principle showing cross-out mark downs from previous store selling prices," explained Mr. David Poole, the marketing manager.

"To operate this system under the Trades Description Act they must establish that the higher price has been charged in all their stores for a continuous period of at least 28 days within the previous six months. This is clearly impossible for a voluntary group.

"So at present voluntary groups all suffer from an apparent dilemma in showing just how good their prices are. To make Mace price offers more effective, the actual saving that promoted prices represent must be made as clear as possible to the housewife.

"Where there is not a manufacturer-recommended selling price the Mace promotional price only will be shown.

WADDINGTONS BOOSTS SALES

Since Waddingtons Playing Card Company changed its name and introduced a new colour catalogue and a modern brand of packaging, sales have shown a marked increase, reports Mr. John Bell, the managing director.

"Last month's results were an all-time high with a 35 per cent. increase," he said.

ADVERTISEMENT

National Bank enters new development phase

A STATEMENT BY F. OLA SOGUNRO, DIRECTOR AND GENERAL MANAGER, NATIONAL BANK OF NIGERIA LIMITED

When, in June 1966, a new Management was appointed and charged with the responsibility of re-organising and improving the standard of services and the administration of the National Bank of Nigeria Limited, all concerned realised that it was to be a formidable task which lay ahead. Before that time, the Bank had a total of 30 branches with a staff complement of 850. Total assets amounted to only £14 million. During the past five years, the National Bank has expanded considerably so that there are now 48 branches as well as a few sub-branches. Our employees now total 1,500 and our assets have increased to very nearly £100 million.

By far the greatest of the National Bank's achievements has been the phenomenal development of its International Services from little more than a mere agency role to one of considerable international prominence. The recent establishment of the International Banking Division is a natural sequence in a happy chain of developments. Linked with it is the new Department of Research and Development, through which, the National Bank, as Nigeria's oldest, largest and leading indigenous bank, will be able to keep itself, its customers and prospects, as well as other Nigerian banks, abreast of positive developments within the Nigerian Economy and the International Banking scene.

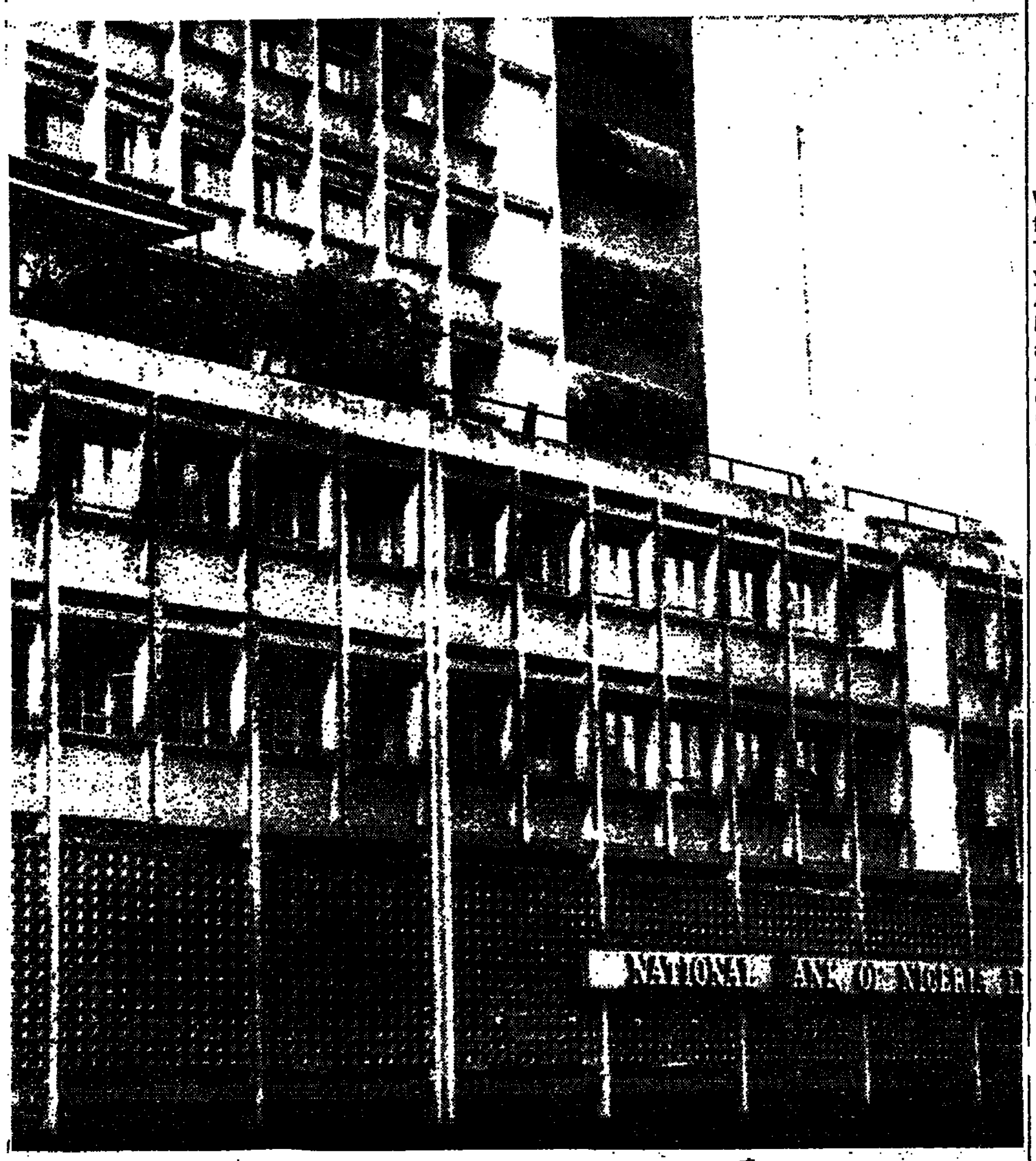
F.OLA SOGUNRO, DIRECTOR AND GENERAL MANAGER NATIONAL BANK OF NIGERIA LIMITED

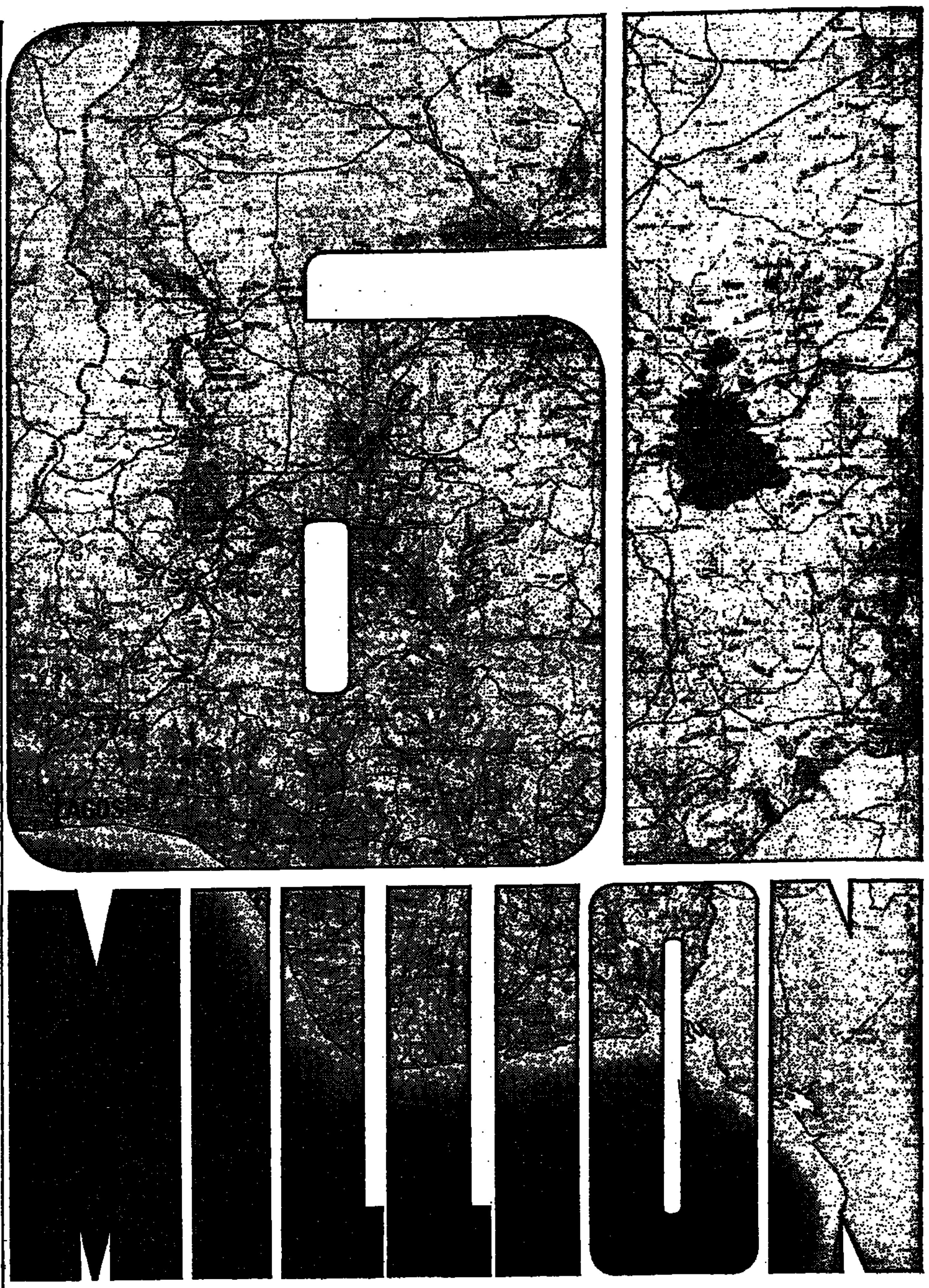
The widening of the national and international coverage of the Bank's operations has meant an increase in manpower and its quality and the constant up-dating and improvement of services and accounting systems. It has also involved giving the Bank's image a face-lift. The new branch offices have been housed in bright new buildings with modern interior decor and the older premises have been given a new lease of life by improving their internal and external appearance.

Looking to the future, we are optimistic in forecasting a much fuller and more efficient service for our customers all over the world. The introduction of the new Research and Development Department and the International Banking Division marks a major turning-point in the life of the National Bank which is the beginning of the second phase of our re-organisation programme. This phase will see the Bank attaining even higher standards in its operations so that our customers may look to us for every facility and assistance in the expansion of their own businesses while keeping our charges extremely competitive.

In conclusion, I should like to express my profound appreciation to all our customers throughout the world—in Britain, Germany, the United States of America, The Netherlands, Switzerland, Poland, Japan, the Soviet Union and throughout Africa—for their patronage and to assure them of our attention at all times with our wide coverage of the lucrative Nigerian market.

NATIONAL BANK OF NIGERIA HEAD OFFICE IN LAGOS





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PROSPECTS FOR PRIVATE FOREIGN INVESTMENT IN NIGERIA

BY A SPECIAL CORRESPONDENT

Apprehension on the part of the inexperienced expatriate investor, or caution on the part of those more knowledgeable investors reflects an inaccurate understanding of the Nigerian situation and one which if followed will only allow the more far-sighted and enterprising to profit.

Of course it can be argued that if you have a sound product there is little point in local manufacturing with so many risks and inconveniences when straight-forward exporting to Nigeria could satisfy the market and confine worries to ordinary commercial risks.

To such a simple proposal there are obviously many different answers. Suffice it to say that however good the product and traditional and strong local demand those who plan Nigeria's economic destiny wish to encourage local manufacturing by Nigerians and unless a product is both unique and essential they will persuade, use direct controls and fiscal measures, and even encourage competitors until local manufacturing is begun.

As, once started (in a town or region that "national interests" dictate) the same senior planners will then devise a tax structure designed to allow the investor a return on his capital equal only to what they consider reasonable (15 per cent after tax with a 3-5 year tax holiday); and a tariff structure which will allow foreign competition unless your pricing policy is fair (by undefined local standards, i.e. previously imported prices). It will be appreciated that investment in Nigeria can only be recommended to honest businessmen if they are prepared to build enterprises with an eye more on long term success than the next 5-10 years and who, while striving for profit maximisation, can also accept that they and their capital are guests of the governments and people of Nigeria.

Certain obstacles exist to impede private foreign investment in Nigeria. It is obviously important to understand the public motives, goals and merits of the senior Civil Servant and who will determine Nigerian economic policy until 1976. And while such understanding is vital to the newcomer it is also fairly important to the "old boaster" whose own numeracy is limited to commercial arithmetic.

Fortunately many of the motives and declared goals of these well educated and quietly sophisticated Civil Servants can be gleaned from a study of the latest National Economic Development Plan and major legislation introduced since 1969, when the unity of Nigeria was assured, and real freedom to prepare for re-development was presented to them.

In the first instance, however, it is necessary to describe the great economic resources of Nigeria, and their present state of development so that future growth areas and the basic resources which the plan is designed to highlight, are readily available.

It is not known how many people live in Nigeria, nor the rate of population change, geographical and age distribution, the per capita income. Rough estimates are available however, from the censuses of the early 1960's, and this information should be further expanded and refined under Army supervision in the next six years.

It is probable that there are now well over 60 million Nigerians, most are young and an annual growth rate of 3 per cent is estimated. Most of the population lives by farming and there are few large towns except in Yorubaland.

Similarly Nigeria's minerals have barely been surveyed to date but of the basic richness of Nigeria's agricultural resources there can be no doubt. Cocoa, groundnuts, benniseed, rubber, oil palms, cotton and timber have all contributed significantly to Nigeria's export earnings throughout the last half century. Maize, cassava, tobacco, citrus fruits and kola nuts form part of the enormous internal food market—whose value again can only be guessed at but which undoubtedly far exceeds the value of cash export crops. In addition Northern Nigeria supports enormous herds of cattle and there is a thriving business in dried fish which is brought south as far as Ibadan from Lake Chad.

Recent export figures show:

Balance of Trade 1968-70 (£N million)

	1968	1969	1970
Non-Oil Trade			
Cocoa	51.7	52.6	66.5
Groundnut produce	52.3	51.7	38.8
Palm produce	10.3	10.2	11.5
Rubber	6.3	9.6	8.8
Raw cotton	3.3	3.4	6.6
Tin metal	13.7	13.9	16.3
Timber, log and sawn	3.6	5.2	4.0
Re-exports	4.6	3.5	4.2
Other	28.4	37.1	31.3
Total	174.2	187.2	188.0
Petroleum Exports	36.9	130.9	255.0
Total Exports	211.1	318.1	443.0
Total Imports	193.2	248.7	386.4
Balance of Trade	+17.9	+69.4	+56.6

Source: *Federal Office of Statistics*

It is estimated that 75 per cent of active Nigerians earn their living as farmers and it is doubtful if more than 100,000 are employed in modern manufacturing industries although probably 10 times this number are engaged in trading and simple traditional manufacturing. However it is wealth from mineral oil that has transformed the Nigerian economy in the last five years. In particular royalties and duties from mineral oil exports have allowed the Federal and State Government to provide funds for the rigorous rehabilitation of those areas damaged during the Civil War.

It is now estimated that mineral oil exports are at the rate of over 60m. tons a year and that these could be well doubled in the next decade.

The war years also saw an enormous increase in output and diversity by local manufacturing industry. With strict direct controls on imports and protected by tariffs, local manufacturers produced a remarkable range of textiles and general consumer goods, food, drink and tobacco products. Throughout Nigeria today it is believed that there are at least 60 textile mills in production as well as pharmaceutical, cement, shoe, plastic extrusion, and packaging factories run by internationally known companies and producing a range of products which meet international specifications. Breweries, meat canneries, vegetable oil extracting, metal and asbestos fabricators—all offer employment to some of the hundreds of thousands of young Nigerian men and women with primary school education who leave their family farms and seek their fortunes in urban centres.

The following table provides an outline of the size and range of established manufacturing industry:

Index of Industrial Production (1963 = 100)

	1966	1970*
Mining	391.3	939.7
Beer	133.7	233.5
Soft drinks	139.2	218.3
Vegetable Oil Products	94.1	143.4
Soap and Detergents	141.7	102.6
Paints and Varnish	243.2	535.8
Roofing Sheets	118.0	111.6
Vehicle Assembly	95.4	190.7
Cotton Textiles	338.9	621.6
Footwear	185.4	420.7
Cement	192.6	112.3
Electricity †	149.5	162.0

Source: *Central Bank*

* Provisional † Consumption

Against this background and the housing problems which rapid population movement creates in urban areas, what is the Development Plan expected to achieve? What opportunities does it provide for private foreign investment?

Public policy on these matters is quite clear and once the criteria on which the Plan is based are understood few could disagree with its aims. Whether in practice these aims can be achieved successfully is of course to be desired.

The Plan's aims include doubling real individual income by 1985 and anticipates a G.D.P. average annual rate of growth of 6.6 per cent in the next four years. It seeks to create opportunities for gainful employment by balanced development throughout the country. It will endeavour to develop high-level manpower resources. It will eliminate foreign domination of the Nigerian economy.

These aims will be achieved by the establishment of an efficient Civil Service, the correction of defective existing public economic development policies, the promotion of local food and cash crop production, participation of government (55 per cent of equity) in major mining industrial and agricultural enterprises and by broad indicative planning ensure that private investment is related to national objectives and priorities.

The Plan recognises that 95 per cent of the nation's labour force is employed in the private sector and from a total envisaged expenditure of £N1600m. by 1974 hopes that private investment will provide £N816m.—£N700m. from incorporated businesses and the balance from private Nigerian traders, farmers and self-employed artisans.

Of the private sector's £N700m. new capital inflows of £N268m. are anticipated from mineral oil sources, and £N425m. from non-oil of which £N145m. could be new imported capital.

Of the Plan's aims, crucial to the foreign private investor is the intention to eliminate foreign domination. That is: government control of cash crop plantations, the proposed iron and steel complex, petro-chemical industries, fertiliser production and local distribution of petroleum products; Nigerianisation of retail trade and other specified distribution areas; the intention to grant "Priority status" to industries with a high local added-value potential; and Government's insistence that all foreign investments not only employ but are managed by Nigerians.

Nigerian planners believe that in the manufacturing sector there is no longer any need to welcome investors simply because they have assessed Nigeria as a likely profitable market and in future investment incentives will be offered with much more discrimination. Pioneer status—already confined for expatriate controlled companies to capital investments of more than £N75,000 before production day—will be replaced gradually by the concept of "Priority status" and this will be granted mainly to manufacturers of intermediate and capital goods, those who utilise substantial local reserves, and those who implement a full Nigerianisation manpower policy.

Already Nigerian law demands that all companies established in Nigeria must be incorporated there and therefore must conform to Nigerian Company Law. This law was consolidated and revised in 1968 and while largely based on current British practice in some ways more vigorously demands public disclosure of asset changes.

A National Oil Corporation and a Steel Development Authority have been established. Both these bodies will be influenced by the same senior Civil Servants who have prepared the National Development Plan and their executive officers. Formally they are to prospect, work, process, export mineral oil and its by-products; and plan, design, construct and operate one or more iron and steel plants. Already the Oil Corporation is committed to mineral oil exportation. The start of any practical exploitation of Nigeria's iron resources has been postponed, however, until further studies are completed in 1974.

Earlier emergency legislation severely restricted the freedom of trade unions and employers to initiate strikes and lock-outs and further legislation is now being prepared and should be implemented before the end of the year.

Nigerian sovereignty over off-shore waters has been extended to 30 miles and all mineral oil revenues are now vested in the Federal Government. The Federal Government has joined Opec and has renegotiated revenue agreements with the producing companies. In addition there has been a thorough clearing away of most of the direct import restrictions that were introduced during the civil war, an announcement that all foreign short term debts (£N 200m.) would be repaid by 1972, and a clear statement of the foreign currency regulations covering the payment of Nigerian imports. In no case do these regulations allow payment in advance but categories of imports that can be paid for 90 and a 180 days after arrival of goods in Nigeria—and so on up to seven years—are now fully known.

It should be noted that the removal of direct licensing, while welcomed by all consumers and by most manufacturers, has allowed a flood of imports which are competing with some local manufacturers and forcing sharp reductions in profit margins.

At the more domestic level, but symbolically important, plans have been announced to introduce right-hand driving, decimalisation of currency and use of the metric system throughout the Federation. A more extensive system of guidance and authorisation of funds for specific projects in the States is also being worked out between the Federal and State Governments. Still to be tackled are the recognised incompetence and nepotism in the public utilities and corporations but a start has been made in the Western States where the Military Governor has removed nearly all senior corporation officials.

And opportunities for foreign private investors? The Federal Government's list of possible intermediate goods include industrial yarn, pulp and paper, iron and steel tubes, iron rods from scrap, bottles, industrial chemicals and nails. In addition there are the major projects in the Development Plan which would have to be joint ventures. These include extracting, processing and refining agricultural produce, wood working, production of fertilisers, assembly of motor vehicles and the fabrication of spare parts.

Less ambitious projects, possibly building on industries now established on a small scale include pharmaceutical, sweets and confectionery, domestic electric and plumbing fittings, assembling and fitting heavy earth moving equipment, manufacturing small plant and tools used in the construction industry, quarrying and mining, fabricating specialised silos and storage bins, provision of non-corrosive pipes for sewage, water distribution and irrigation.

Such a list only touches the surface of the possibilities the Nigerian economy offers. However it cannot be over emphasised that permission to start, let alone the granting of fiscal privileges, will only be available in the next few years if these proposals can be reconciled with declared national needs and after an investor has satisfied planners as to his methods of finance, manpower training programmes, and long-term competitive ability.

THE INTERNATIONAL BANKING DIVISION— *WHAT IT REPRESENTS*

Mr. Kuforiji Rotimi, Head of International Banking Division, National Bank of Nigeria Ltd.

In recent years, and particularly since the end of the Civil War, coupled with the launching of the new £1,500 million four-year Development Plan, there has been a tremendous upsurge in business activities between Nigeria and other countries, notably Western and Eastern Europe including the USSR, the United States of America, Great Britain, Canada, Japan and China.

A primary objective of the Development Plan is to transform Nigeria from a predominantly agrarian economy to that of an agro/industrial economy, an effort which would require considerable foreign participation to come to fruition.

The impact of the increasing output of crude oil (500,000 barrels a day in 1969, and now running at well over 1½ million barrels a day) yielding an estimated Federal revenue of well over £200 million per annum, could to that extent diminish the need for foreign capital. But certainly, there can be no substitute for the industrial expertise and technical co-operation required by both the private and public sectors in the national economic development effort.

The disappearance from the Nigerian scene of some foreign buying houses, which had in colonial times dominated certain sections of the market, has imposed upon the business community and particularly upon financial institutions such as the National Bank, additional responsibilities which the growing expertise within the country is able to assume.

INTERNATIONAL SERVICES

Added to these is the easing of import restrictions announced in the 1971-72 national budget and the promise of further import liberalisation which may result from an expected improvement in Nigeria's foreign exchange position.

These conditions were bound to create, and have indeed, resulted in a considerable increase in requirements for international banking facilities from both existing and new customers, especially with regard to imports to Nigeria. The widespread expansion of the Bank's branches in Nigeria, (20 in the last 5 years), is also attracting a large number of business interests in various fields which, inevitably, would require international banking services such as advice on markets, importing and exporting procedures, and trade documentation etc.

The new ultra-modern air-conditioned office buildings of National Bank of Nigeria Ltd., 2B Akpakpava Road, Benin City.

DEVELOPMENT OBJECTIVE

A larger issue is the concern of the Bank to live up to and fulfil its original aims, which have continued to be its guiding principles, more so since re-organisation began in 1966. The peculiar position of National Bank, as Nigeria's oldest and leading indigenous banking institution, imposes on it a duty, both moral and material, to play a leading part in the country's development, to the general benefit and national interest of Nigeria and all her peoples.

Hitherto, although the scope of the bank's work increased considerably, its nature remained largely unchanged. Both in Lagos and in London, the Bank continued in its traditional roles, though it was soon apparent that foreign trade was becoming increasingly important; documentary letters of credit and the international transfer of funds were taking up more of the time and energies of the bank, although these operations were mainly a reflection of the requirements of the bank's clientele.

The country was entering a new phase in its economic development; by the beginning of the year the World Bank's investment in Nigeria had attained the sum of £N134 million. The same Bank has since approved the grant of a rehabilitation loan of US$80 million for the import of certain specific capital goods. Again in May of this year the World Bank agreed to provide a further loan of US$7½ million for the expansion and improvement of cocoa production in Western Nigeria; this will involve the planting of about 16,500 acres of new cocoa and the replanting of some 27,000 acres which are at the moment uneconomic.

It has been reported recently that, under the aegis of the World Bank, Holland has promised a soft loan of £1.8 million and Western Germany will provide a further £5 million repayable over 25 years, with a 7-year grace period, bearing interest at only 2% per annum.

THE INTERNATIONAL DIVISION

It is in this new economic climate that the new International Division has its raison d'être. No longer is it sufficient for the Bank to carry out the instructions of its customers. In the present complexities of international trade the Bank has a duty to guide the country's operations and to advise on the best way of bringing them to a successful conclusion. The fluctuation in exchange rates is only one of many aspects that affect the profitability of a given deal. Guidance may be necessary for instance in the purchase of machinery on ostensibly advantageous terms which, while new in the sense that it may be unused, may yet be obsolescent and its use will adversely affect future production: this is not a run-of-the-mill banking service but the Bank may be able to give some useful advice. The International Division also provides information on market conditions, trade practices, taxation, corporate and social legislation, labour market conditions, wage structures, exchange regulations, as well as a host of other services, such as the furnishing of status reports, which are vital in the sophisticated business world of to-day. These are services available to exporters and importers alike which only a large and well-organised bank can afford to give.

The upper échelons of the Bank have recently been strengthened by the recruitment of several officers with wide international experience, each an expert in his special field. These, together with highly trained personnel at the bank's Head Office with their unique knowledge of African affairs, constitute a team of experts unrivalled anywhere in Africa.

Both in Lagos and London the Bank's offices are highly organised and it is possible by telecommunication to be in instant touch with any important commercial centre.

The Bank has a world-wide network of correspondents, and is planning to open new branches in other financial centres abroad.

All these major steps in our expansion programme are geared to a better service to our customers. However big we become we shall not be too large to neglect our personalised service to our clients.

hearty cheers!

to National Bank of Nigeria Limited

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FINANCIAL AND ACCOUNTANCY APPOINTMENTS

Divisional Controller
Central London

This is a new appointment with the U.K. Division of a multi-national company in the food industry. Divisional turnover is about £50m and is expanding rapidly.

Reporting to the General Manager, the Divisional Controller will act as chief interpreter of financial information to divisional management, and play a decisive part in the running of the business. A major parallel task will be to critically examine existing systems and develop an improved management information system. He will be responsible for a staff of 50 in EDP, O & M and Systems, Accounting and Internal Audit.

A qualified accountant, aged about 35, he will have been responsible for the complete finance function of a progressive company. He will be familiar with computerised accounting and management information systems and demonstrate a thorough appreciation of the role of finance in modern business. Remuneration will be about £5,000.

Please write, in confidence, to John Hall, Ref. (C151)

McLintock Mann & Whinney Murray,
Management Consultants,
95 Southwark Street, London SE1 0JA

Also at – Birmingham, Bristol, Cardiff, Leeds, Liverpool, Manchester and Newcastle upon Tyne.

International Finance & Taxation

£6,000

A Treasury Officer is required for the U.K. group of a world-wide manufacturing corporation, employing some 20,000.

Reporting to the Director of Finance, the Treasury Officer's main areas of responsibility will include: U.K. and European tax systems, cash forecasting, servicing short, medium and long-term debt, inter-company transfer of funds world-wide, and relations with banks and currency markets.

The required background is financial or commercial experience, gained preferably in a large business or alternatively, in banking, foreign exchange, accountancy, law practice or tax consultancy. A detailed understanding of taxation systems in the U.K. and Europe is essential. There is a preference for a university level of education in an appropriate discipline and for candidates in the 28-35 age range.

Salary will be negotiable in the region of £6,000. Location is central London.

Please write with full personal and career details to Mr. B. Powell (Ref. BP/TM1), Financial Times Ltd., Bracken House, 10, Cannon Street, London, EC4. Applications will be treated in strict confidence.

Executive—Corporate Planning

LONDON **about £4000**

This appointment results from the promotion of the present senior executive to the post of Group Planning Manager. Corporate planning is an established function in the company, reports directly to the Chairman, and is actively involved in advising divisions and subsidiary companies on the preparation of their long-term plans, in aggregating these plans and monitoring progress, and in acquisition and other studies of a varied but generally economic nature.

Candidates, aged 28-35, will be qualified in a numerate, logical discipline such as economics or accountancy, and their careers are likely to have commenced in one of these fields. Their later experience will probably have been in the corporate planning department of a major industrial organisation, and they must be used to work demanding high intellectual ability.

Salary will be negotiated, contributory pension and life assurance.

Please write in confidence, quoting reference B.396, to D. Drayton, Spillers Limited, Old Change House, Cannon Street, London, E.C.4.

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He will:—
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Shrewsbury, Salop.,
SY1 4NS

or alternatively telephone:—
By day Shrewsbury 53555
At night Shrewsbury 4934

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A major public company with a large number of subsidiaries wishes to recruit a group financial accountant. He will be based in London and his principal responsibilities will include the initiation and co-ordination of the procedures for preparing financial accounts throughout the group and their subsequent appraisal and consolidation.

Candidates should be qualified accountants who are capable of acting on their own initiative and of organising and supervising a small group accounting section. Experience of consolidated accounts, taxation and cash management in a large group would be essential and it is unlikely therefore that anyone below 35 would have the necessary experience.

Salary and other emoluments would be about £5,500 but could be higher for a man of suitable maturity and experience.

Candidates should write for a personal history form to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD quoting reference MCS/1541.

CASHIER ACCOUNTANT

Banking experience desirable for *expanding private bank.* Salary £2,500 to £3,500 pension arrangements negotiable. Write in confidence full resumé in own handwriting, listing companies to which you do not wish your application to be forwarded. Box B.2263, Financial Times, 10, Cannon Street, EC4P 4BY.

SINGAPORE

Leading Stockbrokers seek an *Investment Analyst* to set up an Investment Department in Singapore. This interesting and remunerative appointment should give excellent experience to an ambitious man. Interviews in London between October 7th and 17th. Please telephone Mr. Swaffield 01-248 2604 for further details.

FINANCIAL AND ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY
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01-248 8000 extension 252

Corporate Finance

Wallace Brothers are extending the Corporate Finance side of their old established and rapidly expanding City Merchant Bank. The director in charge wishes to appoint an Assistant capable immediately of representing the Bank as a principal at Board level meetings with clients.

Applicants should not be less than 28, and ideally will be qualified accountants. They will either still be in a professional office, handling investigations, or will be in the corporate finance department of a merchant bank, or in a stockbroker's new issue department. In any case, they must have proven experience in flotation and takeover activities. They will be interested in a starting salary of £4,000—£4,500 and will be looking for above average prospects of promotion.

Please apply in the strictest confidence quoting reference number 1285 to Clive & Stokes, 14 Bolton Street, London, W1Y 8JL.

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Appointments & Personnel Consultants

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A WIDE RANGING AND RESPONSIBLE POST BASED IN LONDON FOR WHICH APPLICATIONS ARE INVITED FROM THOSE AGED 45 TO 50 WITH CURRENT EMOLUMENTS IN THE ORDER OF £7,500

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The successful candidate, whilst not necessarily a chartered accountant, will have experience of corporate financing and also a working knowledge of company and personal taxation. Familiarity with property developments would be advantageous.

Replies treated in strict confidence to Company Secretary, Box No. A.2262, Financial Times, 10, Cannon Street, EC4P 4BY.

MAJOR CANADIAN FINANCIAL HOUSE

requires additional dealer for their Money Market Department in Toronto. Candidates should have at least two years' experience in inter-bank Euro-currency deposit broking, together with essential knowledge of foreign exchange.

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requires a young man professionally qualified in the age group 25/30

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ZIMAN & CO., SOLICITORS
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stating to which firms their applications should not be sent.

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GENERAL APPOINTMENTS APPEAR TODAY ON PAGE 29

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Advertising and . .

Who spent what in 1970

ESTIMATED MEDIA EXPENDITURE BY PRODUCT GROUP, 1968-70 £ million

Product Group	Manufacturers Consumer Advertising 1968	1969	1970	Remainder 1968	1969	1970
Nationalised industries*	—	—	—	12	12	12
Government	—	—	—	13	13	14
Food*	61	64	62	—	—	—
Clothing	11	13	13	—	—	—
Auto	19	20	19	—	—	—
Drink and tobacco	41	44	46	—	—	—
Toiletries and medicinal	31	33	32	—	—	—
Household and leisure†	53	55	54	—	—	—
Retail†‖	—	—	—	37	41	45
Savings, financial‡	—	—	—	23	26	23
Industrial§	—	—	—	63	67	71
Publishing, books	6	6	6	3	3	3
Tourism, entertainment, foreign	16	16	17	4	4	4
Charity, education	—	—	—	1	2	2
Classified	—	—	—	87	102	106
TOTAL	238	251	249	243	270	280
Percentage of total	49	48	47			

Notes
* The following Public Bodies have been classified as nationalised industries: Butter Information Council, Cheese Bureau, Egg Marketing Board, Milk Marketing Board, Dairy Council.
† Figures produced for 1969 under-estimated the Household sector advertising in the regional press and correspondingly increased the residual attributed to the Retail sector (see Note ‖). This has now been adjusted.
‖ Retail. These figures include the residual of local advertising not identifiable as belonging to other sectors. They are likely to include elements from these other categories.
‡ Financial. Includes financial advertising proper as well as banks, savings and insurance.
§ Industrial. Made up of £44m. trade and technical display advertising in 1970 together with £18m. industrial and prestige advertising in non-technical media and £9m. classified advertising in the trade and technical press.

THIS WEEK'S issue of Ad-Weekly carries a feature on the breakdown of advertising spending in 1970. There are revised figures which show that while earlier it had been thought that trade and technical magazines had a rise of 10 per cent. in revenue, in fact they only gained by 6 per cent., to £53m. So total ad spending last year is placed at £529m.

The journal goes on to point out that "In 1970, the amount spent on advertising food, toiletries and household goods all showed a decline. Since these sectors form the basis of consumer goods advertising and make up the bulk of advertising on television and, to a lesser extent, in magazines and periodicals, it is not surprising that these media lost out heavily. Strangely enough, the only consumer goods which significantly increased their advertising expenditure were drink and tobacco, which would have done relatively little to help television, since advertising for both cigarettes and spirits does not appear on the air.

Even automobile advertising, which might have been expected to show something of the growth of the industrial sector, instead showed a decline, from £20m. to £19m. Overall, the manufacturers' consumers sector fell by £2m. between 1969 and 1970.

The non-consumer sector, although far from booming in 1970, did at least display some growth—from £270m. in 1969 to £280m. in 1970. As one might have expected from the media breakdown, the two sectors which showed the highest growth were industrial and retail advertising—both grew by £4m.

All parts of the non-consumer sector did not, however, do equally well. In particular the savings and financial sectors (banks, insurance companies, company reports) showed a heavy fall.

This was almost certainly due to the generally poor results of companies during 1970 and the low levels to which the stock market fell during most of the year. This undoubtedly affected the amount of space which companies took to announce their results, and left such institutions as unit trusts with relatively little money for advertising."

AGENCY NEWS

● *Boase Massimi Pollitt* has been appointed by Spillers to handle a new product. Neither the agency nor the company would say what the development is. BMP is to pitch next week for the Castrol account and its competitors are Hobson Bates, Foote Cone and Belding and Dorland.

● *Two years after the merger* of Erwin Wasey, Pritchard Wood and Quadrant the three names are now being brought down to two—Pritchard Wood lapses—and the new title is Wasey-Quadrant. The change identifies the London agency more closely with the Quadrant International network and at the same time *chairman Dennis Reader* forecasts a 14 per cent. to 15 per cent. increase in revenue for 1971.

● Industrial agency Roles and Parker has registered its research unit as a separate company, Parker Research. R. W. Finch will head the company.

● Sidlaw Industries: Spending £12,000 in the Press to announce the change of name from Jute Industries. Agent: Struthers Advertising.

● Other account moves are Bland Group, Gibraltar, to Gibson Gilbert White, Alfa-Laval to Hamill Toms and Templeton Carpets and Greentree Golf to Woolward Royds.

● J. Walter Thompson: Just published a booklet by Michael Barnes on "The relationship between purchasing patterns and advertising exposure."

● Tungstone Products: Spending £40,000 on TV and £30,000 in the Press in a new campaign for Gold Label car batteries with rally driver Paddy Hopkirk in the saddle. Agent: John Haddon.

● UDO: The point-of-sale company has the U.K. and European franchise for Disc-Ads, devices for carrying ads. Disc-Ads take the place of hubcaps on vehicles but, naturally, do not go round with the wheels. Six national advertisers have seen them.

● Watney: Spending £180,000 on a TV, cinema and poster campaign for Special Bitter with the theme "I want mew Special Ethel."

Old Nick is a new barley wine from Young's brewery, Wandsworth. The independent is also bringing out RamRod, a strong bottled bitter, with a poster campaign, initially in London, from early next year. Lippa Newton is the agency.

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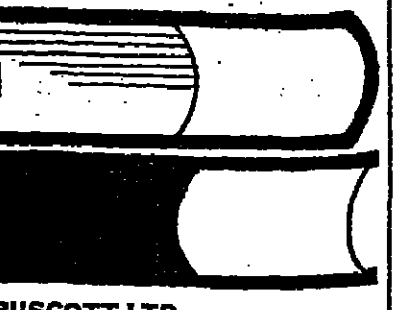

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The Marketing Scene

Bute goes cute

BY ANTONY THORNCROFT

TO-MORROW the 8,000 islanders of Bute will be let in on a mystery which has been worrying them for some weeks. Why had the vans, tractors, lorries, in fact the entire vehicle fleet of the Marquess of Bute, the owner of the island and its biggest employer, suddenly turned violet?

The answer, they will discover, is that the Marquess has acquired a corporate identity for his estate prepared by CDG (formerly Conran), the leading London design house. From to-morrow the vehicles will not only be seen to be in "Bute heather" (a specially created shade) but they will also carry a crest. And so will all the workers on the estate, and many of the notice boards on the island, and all the stationery and correspondence of the Marquess. In effect the identity of Bute will have undergone a spring-clean.

Practical

The reasons are strictly practical. Bute, like the other Scottish islands, has suffered from emigration to the mainland. To halt this drift the Marquess has transformed his farming interests, with the help of an energetic new factor, Mr. Robert Crozier. Behind the scenes everything has changed. In effect a company structure has been formed with Lord Bute as chairman, Crozier as managing director, and the five managers of the estate (looking after buildings, farms, forestry, game and gardens) as directors. They will meet once a month to examine budgets and results and to run the estate as a whole. In the past managers cultivated their own little empires and perhaps squabbled with each other. Now they have the opportunity to advise on the entire operation.

In addition the accounts have been unified, profit targets have been set, new leases for the 80 tenant farmers have been renegotiated, and the office staff has been thinned down. In effect, Bute has pushed through its own management audit, with the accent on higher profits. Geese shoots are being introduced to barren hill tops; the waste product from shrimps caught locally is used for animal feeding-stuffs; the timber operation has been overhauled; new farm buildings are cropping up on the land.

The corporate image is intended to drive the modernisation message home to the rather conservative work force. "The aim is to draw them together so that it is more apparent that they are part of an organisation that cares for them in a time of change. We've had the change in physical fact; now comes the new mental attitude," says Crozier.

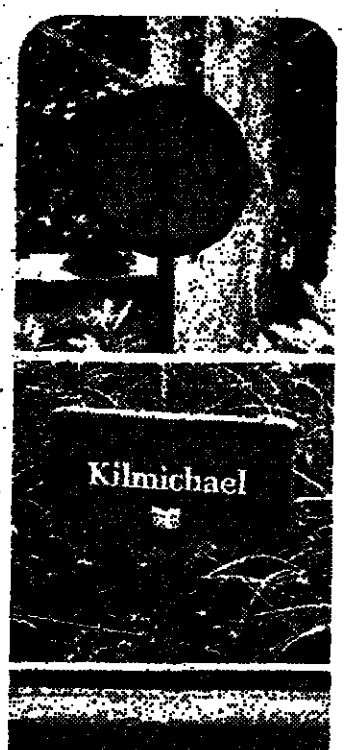
What will Bute look like when the tourists return to Rothesay next summer? Well, there will be lots of standardised white signposts and notices with clean "Bute heather" lettering. The notices will be polite and reasonable—no authoritarian and stark "Keep Out. Bute Estate." In fact, house colours will replace words as far as possible. Then there will be the painted vehicles which will enable Lord Bute and his Board to recognise their employees as they move around the island. All the stationery, down to compliments slips, has been redesigned and the number of separate items in stock much reduced. And, of course, there will be the "team" uniforms, and even improvements to the estate offices.

It is really no surprise that Lord Bute should follow such companies as Ford, Barclays, RHM and Coca-Cola into the corporate design solution for a tired image. His concern for appearances follows automatically from his work on the National Trust of Scotland. Lord Bute is not only one of the richest men in Scotland: he is also very conscious of his family's descent from Robert the Bruce and its role as "leader" in what can be a rather feudal society.

So although he describes the exercise as "an outward expression of central management thinking" it is much more a "design for the countryside." He is selling a more nicely packaged Bute to the vital tourist trade.

The corporate design is intended to "kick everything into a higher gear." At least it has not been chosen as an alternative to change. Whether it is enough to keep men on the island is another matter. The other parts of the new deal—higher wages, improvements to the estate cottages—are certainly more important.

It is an expensive innovation but Lord Bute believes that consultants should be called in to set down guidelines which will in time recover the costs. At the moment he is keeping an open mind whether to extend the identity to his hotels, his tweed mills, his interests in fish processing. If it is spread too widely Bute is in danger of turning into a parody of a Ruritanian stage set from a 'thirties musical. But at the moment it is smoothing away the rougher edges of a pleasant if slightly bemused island community.



Best bonus buys

BY BILL HORWOOD

LUNCHEON Vouchers, Barclaycards, American Express . . . the proliferation of stickers in shop windows announcing what consumer services a shop is willing to accept seems unending. The latest addition to this lengthening list is Bonusbonds, whose label has just appeared in some 2,600 retail outlets in Britain ranging from Austin Reed and Boots to Times Furnishing and H. Samuel, the jewellers.

The main difference between Bonusbonds and the others is that, for the time being at least, the normal shopping public won't know what they are. For Bonusbonds are aimed specifically at employees involved in a sales incentive scheme by Bonusplan, a subsidiary of Inmark Holdings, the below-the-line marketing group. They are prizes in incentive schemes which can be exchanged for merchandise at any of the outlets of the ten leading chains participating in the scheme.

First attempt

In marketing terms the launch is interesting since it represents the first attempt to really change the way in which merchandise incentive schemes have been run in Britain since E. F. Macdonald, the American incentive company, set up shop in London in 1959. Since then two other companies—Incentive Awards, a Sperry and Hutchinson (Pink Stamps) offshoot, and Performance Awards, the Green Shield subsidiary—have successfully moved in and now these three control a growing market which is roughly estimated to be worth £8 million.

But Bonusbonds question the very basis on which these three companies have successfully built up their incentives business—namely glossy illustrated catalogues chockablock with consumer goods which the average participant in an incentive scheme will covet and strive for. All Bonusbonds offer are bits of paper which an employee can exchange, like money, for goods in a shop.

The success of catalogues has hinged on the declining value of money since the war which has made nicely catalogued goods more attractive to employees than lumps of cash. And now, with 10 years' steady growth in the incentives market behind them, the incentive companies are inclined to regard their catalogues as sacrosanct.

As Peter Pritchett, managing director of Performance Awards puts it, "the essence of incentive schemes is the effective motivation of employees by offering in catalogue form goods which they, and their families, can dream about having and then can actually go out and get. It is vital that they are offered these goods in an attractive way and catalogues clearly achieve this."

But, says Kit Peake, sales director of Bonusplan and a former executive director of Incentive Awards, catalogues are only one way of motivating employees to work harder and are an administratively difficult one at that. "There's a growing boredom with catalogues among companies simply because all they see are the same old range of goods dressed up to look different. "At the same time delivery of goods through catalogues is often slow and in morale and motivation terms this may be disastrous to the continuing success of incentive schemes in companies."

One does not have to go far to find support for this view among companies regularly using incentive schemes. As Mike Thompson, field sales manager of A. Wander, makers of Ovaltine, puts it, "we've found that our sales force wants something new and novel from their sales incentive schemes. They know, and we know, that however much one may try to vary a catalogue really one is making them the same sort of offer each time. So naturally it's difficult to maintain interest and one has to look out continually for something new."

One of the problems with catalogues is that they can only offer a limited range of goods. Although the number of items included may be high—2,000 or more in some cases—and the choice made may be based on years of experience of redemption patterns the actual range of goods in a particular sector may be very limited—a choice of only two table lamps, for example, or only three different shavers. A major part of the pitch for a scheme like Bonusbonds or Holiday Vouchers—a similar scheme launched earlier this year offering access to a range of travel operators' programmes—is that it leaves the employee with freedom to pick and choose from a wider range of goods and services than is normally available on a catalogue.

Bonusplan is offering its bond to companies in values of £5, £ and 25p. Its running costs and profit derives from the difference between the price of the good in shops and a discount which the retailers participating in the scheme are offering it.

How to measure the effectiveness of your advertising and promotiona[l] expenditure: this is the crunch question in marketing. ANTONY THORNCROFT attended a conference which tried to produce som[e] answers

The most from Milwaukee

IT IS a mistake always to give people what they want. Like many organisations these days the Marketing Society asked its members what subject they would like to discuss at their 1971 annual conference. Naturally the answer was the "Measurement of Marketing Effectiveness." And on Tuesday the topic was gingerly investigated—gingerly because it is impossible actually to get to grips with such a 64,000-dollar question. To fall back on a metaphor: if doctors attended a conference on "Cures for the Common Cold" they would only really come away with such advice as "keep well wrapped up and dry during the winter." So here the delegates received hints and guidelines rather than a measurement of marketing effectiveness.

Yet these occasions are rarely wasted. They usually have an ulterior motive. Take the paper on the Measurement of Advertising Effectiveness, a mouth-watering subject if ever there was one. It cannot, of course, be done—yet; but this examination of the Milwaukee Advertising Lab, where for seven years the city was divided into areas so that some of the population saw certain ads for a brand and the other half quite different approaches, is the nearest we have come to getting to the bottom of advertising.

And it is especially relevant now because certain manufacturers, and certain market research companies, and certain television contractors would like to set up Ad. Labs in this country, and in fact might do so within the next year. It is quite legitimate to foresee a research firm like AGB get together with say, Thames TV, and BMRB with another ITV company in certain areas, and by the use of muters (which can cut out commercials from the TV screen) offer companies this testing service. By having more than one Lab Unilever can happily compare various strategies in one area, and Procter and Gamble in another. If the economy continues to pick up the money for such experiments—around £100,000—might become available. Certainly the market research companies are keen: it offers a new area of client expenditure which they badly need.

But the extraordinary thing is that in the U.S. the data from Milwaukee does not seem to have radically changed advertising expenditure and now the Milwaukee Lab has been superseded by a variety of other centres which use split cable TV systems. The point is that every product is different and there are still doubts about whether you can isolate truely comparable test groups. Even so some general conclusions have been drawn from the Ad Lab. The first is that only good advertising works—bad ads can actually stimulate a fall in sales; Secondly it seems that creativity is not the most vital factor; a more imaginative use of media can produce better results. At Milwaukee companies have tested various weights of advertising campaigns (and found that heavy campaigns are not so cost effective); they have tested old creative campaigns with new ideas and seen that a good old concept is better than an average new one; they have discovered flavours that take-off with no advertising support while others fail to make the grade with considerable cash behind them. Milwaukee has helped individual companies come to decisions about how to market their products but it has not changed American advertising.

Geoffrey Darby

For the rest of the conference Geoff Darby was very sensible about sales promotions without claiming that their effectiveness could be adequately measured. He pointed out however that after examining hundreds of examples the coupon (2p off) : five times more effective than th[e] premium offer, although th[e] switch to new pence will mea[n] fewer coupons and flash pa[ck] price reductions until inflati[on] has caught up with the highe[r] monetary units.

Among his other comments ● the more you repeat a successfu[l] promotion the less the traw[?] ● make sure any premium off[er] is related to the brand you a[re] selling—it's no good offering [a] cut price football with ever[y] bottle of perfume sold ● exami[ne] below-the-line budgets ever[y] year. For example expenditure o[n] salesmen's point of sale materi[al] is constantly declining but ma[ny] companies allocate the same su[m] for this annually ● be carefu[l] about handing over too much o[f] the promotions budget to ret[ail] groups—you will never be ab[le] to evaluate its effectiveness ● avoid promotions for produc[ts] with a high-class image—th[ey] could be counter productive ● ensure strict financial control—sometimes a company increas[es] its prices while it is running previously arranged trade de[als] and the trade buys up the pr[o]duct at unprofitable prices to th[e] manufacturer ● assess the [?] part of promotions. Many usef[ul] tips. But no measurement of th[e] effectiveness of sales promotion.

At the final discussion Dav[id] Kingsley of KMP and Har[ry] Henry of Bradford Universi[ty] were proving that marketing w[as] an art rather than a science [by] disputing about the timing [of] research projects — Kingsl[ey] urged speed, and said that mu[ch] current retail audit data was li[ke] All Our Yesterdays by the tim[e] it reached the marketing direc[tor], while Henry said you neede[d] at least two years for testing strategy. And since marketin[g] is an art you are obviously n[ot] going to be able to measu[re] accurately its effectivene[ss], which brings us back to the bas[ic] fallacy of the conference.

Tea by the half-pound

BY PAMELA JUDGE

NEXT Monday, Lyons is to launch Quick Brew tea in ½lb packs—a size that no other major brand is sold in as yet. It is the third move by the company in a drive to expand its share of the tea market and achieve near-national distribution for Quick Brew. Initially the packs will go on sale in Lancashire and the West with TV ads. to back the introduction.

The two earlier exercises were bigger Quick Brew tea bags, and Silver Label, a cheaper tea on sale for two months and "going well."

Lyons' traditional tea strength has been Quick Brew and Red Label in the South while dividend-carrying Premiu[m] has been more a Northern liqu[or]. But over the last year the ¼-QB packs have been going o[n] sale to the point where they a[re] available nearly everywhe[re].

During research on the pr[o]ject, when the ½-lb pack idea w[as] put to groups of housewives the main reaction was surprise it h[ad] not been done before. Some [?] per cent. of housewiv[es] apparently take two ¼-lb pac[ks] every time they buy tea.

With these three moves in [a] year Lyons is looking for a bi[g]ger share of the £130m. (exclu[d]ing catering) tea market ev[en] though sales of all teas fell la[st] year by 4 per cent.

Fact finding about radio

THE CLOSER commercial radio approaches the more daunting seem the difficulties. The improvement in advertising generally has encouraged higher forecasts for its possible revenue—at least £10m. a year now, but there remains the cost of collecting the research which the medium will have to offer potential advertisers.

The latest issue of the Lintas publication Commercial Radio News examines this problem. It suggests that since established media spend up to 0.5 per cent. of their gross advertising revenue in research, radio will do the same. This implies £50,000 when the proposed 60 stations are fully operational. In the early years, however, the maximum research fund will be at the £10,000-£20,000 level.

What can the stations and the IBA obtain with this money? "The determination of a station's basic area of service should not prove too difficult. Given the very high percentage of homes with mf radios, a local station will be receivable by day in nearly every home where the signal strength is adequate, so areas defined by signal strength measurements will be the basis. Such measurements will be made by the IBA when setting-up and testing the transmitters. Where two or more stations overlap, more detailed polling of shares of listening between stations may be necessary.

Broad patterns of listening and the necessary accumulation data could not be produced for each and every station, because of the lack of money, so a national panel of individuals might be used as a partial solution. The best technique would seem to be a multi-media diary, which might by "calibrated" initially for in-home listening by a one-off large scale coincidental survey.

"Once the panel has been in existence long enough to indicate the way different campaigns build up in coverage, continuous reporting would not be necessary. The advertising industry might well agree that two or three "bursts" of panel data per annum—each lasting, say, six weeks—would provide all the information on audience size and composition needed. This operation could be performed at comparatively low cost if an existing panel were used, such as the JICTAR TV panel. Should the use of an 'industry' panel prove impractical though, no doubt research companies will be eager to offer existing panels of homes and individuals for this purpose."

In brief

- Goblin Electric Appliances: For the first time, to use TV only in a national pre-Christmas campaign for Teasmades and vacuum cleaners. Agent: Interlink.
- Luis Gordon: Three-station TV campaign for Domecq sherries will feature comic Ronnie Corbett: Agent: Butler and Gardner.
- Industrial Marketing Management: The first issue of the new quarterly has just been published. It is a joint venture by the European Association for Industrial Marketing Research and Elsevier Publishing of Amsterdam. It is available from Elsevier, Journal Division, PO Box 211, Amsterdam.
- Mercury House: Together with France-Expansion, Paris, launching a new publication in France for advertisers, agencies and media called Stratégies. The first print order is 18,000 and initially the publication will appear fortnightly but it is expected to become a weekly in a few months.
- A. C. Nielsen: To extend coverage of the licensed trade to provide measurement of sales through multiple and co-operative off licences.
- Remington: Three-month Press campaign for shavers to be backed up by a national TV commercial—the first for two years—in December.
- Shell-Mex and BP: Introducing Pongo, a pink monster with a sensitive nose, in the new £300,000 TV drive for pink paraffin.
- Southcombe Advertising will act for Linguaphone Institute from December 1.

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THURSDAY OCTOBER 7 1971

Optimism, but qualified

THE Confederation of British Industry took its latest survey of the business situation about three weeks after President Nixon's statement announcing the import surcharge and seven weeks after the Chancellor's July package of reflation. Both events must have had a considerable influence on the climate of opinion among its members. The effect of the first is apparent in the very high proportion of those polled—no less than 48 per cent.—who mentioned political or economic conditions abroad as a factor likely to limit their ability to obtain export orders in the immediate future. The effect of the second shows up as a sudden revival of optimism about the business outlook. In June those who felt less optimistic exceeded those who felt more so by 10 per cent. By September the optimists were leading by 16 per cent.

Animal spirits

The answers to specific questions also suggest an encouraging change in the mood of industry. Firms are still planning to spend less during the next twelve months on capital investment in machinery—this is particularly so in the case of large firms—but the balance in favour of lower investment is now much smaller. As many firms have received more new orders over the past four months as have received fewer and a large balance expect to receive more during the four months ahead. The rise in unit costs is expected to be less severe in the future and the balance anticipating higher prices has dropped from 49 to 22 per cent. There has been a drop, too, in the proportion of firms mentioning comparative prices as a restriction on their ability to obtain export orders and almost as many firms are more optimistic as are less so about the general outlook for exports. In short, the animal spirits of businessmen seem to have recovered strongly since the dismal days of June.

Unemployment

But the optimism must be heavily qualified. The percentage of firms working below capacity has actually increased over the past four months. A strong balance expects output to rise over the next four, but this reply (as the CBI points out) refers to the value of output rather than its physical volume. Among the various factors mentioned as likely to restrict output over the next four months, shortage of orders or sales is still by far the most important at 78 per cent.

Most significant of all, however, the number of firms expecting to reduce their labour force over the months ahead is still well above the number expecting to increase it. The measures which the Government has already taken may well be sufficient to prevent the trend of unemployment (as opposed to the absolute number of those without work) from rising much further; but it seems clear that, even if the business upswing is as sharp as the Chancellor proposes, there is unlikely to be much of a drop for at least twelve months. Sooner or later, and preferably sooner, the Government will be forced to take a fresh look at its regional policies.

Two-tier structure for steel

THE further re-arrangement of responsibilities at and just below Board level which the British Steel Corporation has now announced should go a long way to meet the criticism which it has been facing recently on this aspect of its affairs. The new head office structure will create the clearest distinction yet between responsibility for policy making and control over the conduct of the Corporation's day-to-day activities.

Responsibility

The most obvious sign of this new separation of responsibilities is the decision to make Dr. Finniston, a deputy chairman, chief executive in name as well as—since the last re-shuffle in April—in practice. But the changes also involve the disappearance of the old administrative division and the splitting up along more logical lines of the former finance division and the operations and supplies division. At the same time, full-time Board members other than Dr. Finniston are to be relieved of their existing executive responsibilities—but not their areas of special interest.

These changes—which parallel similar organisational reforms at British Rail and one or two other public corporations in the last few years—should free the Board under Lord Melchett, the chairman, to concentrate upon policy making, together with such related matters as external relations, forward planning, the provision of finance and financial policy while Dr. Finniston, as chief executive, exercises prime responsibility for control over the day-to-day performance of the corporation's product divisions and the functional departments at head office. At the same time, by providing opportunities for promotion from within and for additional recruitment from outside, the new structure should strengthen the corporation's senior management, especially in the area of financial planning and control.

One is bound to ask why these moves have not been made before. The corporation is a very large business by any standard—by those of British industry or in comparison with other world steel companies. Its creation four years ago from 14 former privately-owned steel companies was one of the biggest mergers ever seen. The answer inevitably must largely be a matter of judgment. Given the particular political circumstances in which the corporation was created, there would seem to be at least a strong case for one man combining the dual role of chairman and chief executive, certainly during the first formative years. Personalities are also bound to enter into a matter of this nature. But probably what no-one could have foreseen, even given the experience of the older nationalised industries, has been the time which the Board as a whole and the chairman in particular have had to devote to the Corporation's dealings with Whitehall—presumably at the expense of their attention to the corporation's internal affairs.

Issues

Even now the Corporation is clearly not able to be the sole master of its own affairs. Obviously, an incoming Government which originally opposed the Corporation's creation will feel entitled to review the situation, and it is only proper that such a review should be conducted with some deliberation. The more immediate issues—such as the Corporation's size and current financial and investment needs—have now been settled. But the crucial issues of future development strategy and the future basis of Whitehall's sponsoring role still await a decision. Once these have been made—probably by about the year-end—then the Corporation ought to be allowed to get on with its task, and the Government—which in any case would have somewhat fewer powers over the steel industry upon entry into the Common Market—ought to be content with a more passive role.

Britain's atomic energy policy—the next big step

The U.K.'s nuclear power planners will soon be deciding which types of atomic power station Britain will build next. The issues are exciting, if complex. David Fishlock, Science Editor, reports

A DECISION will shortly be taken in an office on Millbank that could crucially influence the rate at which our electricity bills rise for many years to come. Three men will settle the types of atomic power station Britain will build in future. Strictly, their brief is to advise, but with them rests the fate of the largest investment in a single technology the Government will make in the decade to come.

They have plenty of types to choose from—indeed, that is the heart of the problem. They could stay with the nuclear system Britain has been building since 1965, the Mark 2 reactor. They could choose one of two new systems—a Mark 3 reactor and a heavy water reactor—waiting restlessly in the wings. They could scrap them all and license a foreign system.

Britain's nuclear knights (left to right): Sir John Hill (U.K. Atomic Energy Authority); Sir Edwin McAlpine (The Nuclear Power Group), and Sir Arnold Weinstock (British Nuclear Design and Construction)

The 'three wise men'

The issues, as Sir John Hill, chairman of the U.K. Atomic Energy Authority and one of the "three wise men," told the Press yesterday, were "extremely complex." Fortunately in recent weeks the first signs have emerged that all parties—scientists, engineers, customer and contractors—are united on one key issue. The fast "breeder" reactor, all now agree, is the nuclear system that Britain, and the rest of the world, is going to want.

At an international nuclear conference in Geneva last month Sir John disclosed that, so rapid was progress, Britain could have three or four nuclear stations based on the fast reactor under construction before the end of the decade. Dick Moore, who heads the AEA's reactor development work, forecasts that electricity costs—at source, I should add—will be only half as great as those from other kinds of power station built at the same time, and they will fall still further as the technology advances. No other advance in power generation could conceivably offer so great a reward within the next 20 years.

The secret of the fast reactor's economics lies in a far more efficient utilisation of fuel, nearly 100 per cent., by the "fast" or more energetic neutrons it can harness. Inevitably there is a price to be paid in complexity. Just how high it will be we are not yet sure.

British industry is already designing, with Government cash, its first commercial fast reactor—a 1,300 MW station for a site that will probably be settled next year. It is working to a strategic plan that assumes that the Central Electricity Generating Board will give the order to "start digging the hole" in 1974. By then, for the first time for any British nuclear station, most of the detail design will be done. All parties pray that it will show that the plant can be built for the same price per kilowatt as any other kind of nuclear station.

Unfortunately, the fast reactor alone does not resolve the problem of the committee of three, headed by Mr. F. R. P. Vinter, a senior civil servant in the Department of Trade and Industry. First, there is the time-lag. New power plant must be ordered before 1974. More important, however, the other kinds of reactor are needed to supply fast reactors with plutonium fuel until they are "breeding" enough to be self-sustaining.

One course Mr. Vinter might choose would be to play safe until fast reactors were ready. What with mistakes like Dungeness B, Britain has paid a high price to learn how to build the Mark 2 (advanced gas-cooled) reactors currently under construction. By now it has learned, one hopes, the important lessons. Now is the chance to reap some rewards—by building more of them.

One company that undoubtedly sees things this way is British Nuclear Design and Construction, whose actions are strongly influenced by the 25 per cent. shareholding of Sir Arnold Weinstock's General Electric. But its rival, the Nuclear Power Group, does not.

This company, over which Sir Edwin McAlpine, chairman of McAlpine's, has exerted a dominant influence since the late 1950s, is desperately eager to export reactors—an enthusiasm no longer shared by its rival. With no new contract for a nuclear station since Hunterston in 1967, it has chased every hare in search of overseas orders—so far with no luck. Now, short of work, it is slimming staff by a quarter to a size close to that of BNDC.

Work starts near Leningrad

The advice which the Nuclear Power Group wants to hear from Mr. Vinter is that the Central Electricity Generating Board should start building a British heavy water reactor, the SGHWR. Like British Nuclear Design and Construction, it has tried and resoundingly failed to sell the Mark 2 overseas. But it firmly believes foreign utilities would fall for the SGHWR if only Britain would show enough faith to start building a few.

It cites in support the fact that several countries have lately embarked on their own kind of SGHWR—Canada, Japan and Italy. The latest is Russia, which revealed in Geneva that work on a 2,000 MW station had already begun near Leningrad, based on a similar "pressure tube" system.

Technically, it seems that the AEA has created a very promising system, a reactor which, in the words of one of its executives, was "born of intellect, not of expediency." And it is cheaper to build than the Mark 2 reactor, as a Nuclear Power Group tender for a big SGHWR at Stake Ness in Scotland has demonstrated.

The crucial question is how much cheaper is needs to be to be worth the not inconsiderable risk of switching systems (plus the fact that it still needs £16m. on R and D to turn it into a full-scale commercial system). More than 15 per cent., argues BNDC. But just 5 per cent., according to its rival, would afford a saving of several million pounds on a big station—opening up bright export prospects for Britain.

What export prospects? asks BNDC. Australia, S. Africa, Finland, Thailand, even Brazil—all have shown much interest in the SGHWR. In Australia the Nuclear Power Group reached a stage of "pre-contract negotiations" by February this year, when a political reshuffle caused the Jervis Bay scheme to be shelved. But would it pay? "We'd have made a small profit," says the Nuclear Power Group.

Its rival remains doubtful, observing that if the SGHWR has one paramount feature, it is the proportion of work that a customer can do at home. In short, the returns from any export business would decline fast as an overseas market gained experience in building the system.

Thus there is a sharp divergence of views between Britain's two nuclear contractors over one type of reactor Britain might build. "The worst advice Vinter could tender," is how BNDC sees any scheme for building SGHWRs in Britain.

A bill for £32m.

What, then, of other systems Britain might build instead of the Mark 2, until fast reactors are self-supporting in the breeding of fuel? One is the Mark 3 (high-temperature reactor), a system that greatly excites the Germans, and for which one U.S. utility has placed an order. Both British companies have submitted to Mr. Vinter their designs for a 600 MW Mark 3 "leader" station at Oldbury.

But here there is general agreement, supported also by the U.K. Atomic Energy Authority, that a Mark 3 station needs another two years' R and D before a detailed design could be started. What is more, the total bill for R and D that still needs to be done is estimated at £32m., twice that for an SGHWR.

As for adopting foreign designs of light water reactors, although both companies would be happy to build such systems under licence, again there is general agreement that they are not the answer. Britain wants a reactor it can cheerfully build close to the consumer, many miles closer than anyone yet is installing these systems.

Let us suppose that Mr. Vinter, persuaded that the fast reactor deserves the industry's undivided attention, decides to play safe and remain meanwhile with the Mark 2 system (perhaps with the prospect of a Mark 3 a few years hence). It might mean sacrificing any prospect of short-term export sales, but the fuel business is building up nicely, and we do have a western world lead with the fast system. The next question is: Who would build these two reactors?

Joining up with Interatom

A simple view is that all domestic squabbles in future might be avoided if one nuclear company were to build fast reactors while the other remained with the gas-cooled line. The Nuclear Power Group is already embroiled in the big prototype at Dounreay, and expects soon to forge a joint company with Interatom in West Germany to develop fast reactors. That would leave BNDC building the Mark 2 reactor. If BNDC also forged links with Europe, the CEGB would have two strong groups striving to meet its requirements in competition.

This view, widely canvassed, has a couple of snags. First, it is not at all clear who in Europe BNDC might want to joint with; what would be in it for BNDC? Second, BNDC is no less enthusiastic about the prospects of the fast reactor, and wants to build that too.

It makes more sense to BNDC that the two British companies should abandon the myth of competing, and unite to form a single design and construction group. Neither at present is making money, and each must largely rely on development contracts from the Authority to keep together the all-important teams of designers on which its future depends.

Together they could afford to take a substantial stake in British Nuclear Fuels—the source of their fuel, a vital feature of every reactor design. Together they might be strong enough to prevent the burgeoning German nuclear industry from dominating the European scene.

MEN AND MATTERS

Tuning in to United Biscuits

After 13 months on the air, United Biscuits Network is still pumping out music to while away the worktime 24 hours a day. Both the man who runs the station, Mr. Neil Spence (formerly Dave Dennis of the pirate Radio London), and the man who runs United Biscuits, Mr. Hector Laing, think the experiment has worked. What Spence stresses is that UBN is professional, comparable in quality, he says, to BBC's Radio One. It has news bulletins every half-hour, its own interviews, its own DJs with their own jokes, its own jingles (imported from America) and its own commercials—for things like productivity, safety and hygiene.

Now Laing wants to take matters a stage further. To start with, he wants to introduce serial stories, say, two half-hour sessions per shift. The next stage would be educational programmes, and Laing talks of "getting someone through an O-level" by what they hear while watching the Jaffa cakes go by.

The doubters, and there were plenty to begin with, have come to like the music, he says, which is tailored to their needs. For instance, the all-male and largely coloured night shift gets less of the top 20 and more Indian music. On the other hand, "This is a controlled output industry with a lot of automation. At its lowest, the station is a satisfaction substitute."

Laing is careful not to quote figures yet (apart from the cost of £35,000 a year) to prove the station's effectiveness. Absenteeism and staff turnover are down in the factories which listen in, although the general employment situation is different too. But Laing will soon extend the network (the programmes go out from three studios on a GPO land line) from the Osterley and Harlesden factories to other factories in the group. "It's a great *sound*," *says Spence.*

"Deciding on the next fatal step I suppose."

Come broking

*What would it be like if stock*brokers could advertise? And advertise on television at that? Some idea can be gleaned from a TV commercial in the U.S. which shows an empty field, then running bulls appear over the horizon, charging at the camera until the whole screen is jammed with giant bulls. A grave voice announces: "Merrill Lynch is bullish on America." Merrill Lynch Pierce Fenner and Smith is of course the biggest broker on Wall Street, known in the trade as "The Thundering Herd."

I can already see the TV ads for Astaire and Co., Dolphin Son and Fisher, Seccombe Marshall and Campion, Kitcat and Aitken. . . .

Saving the Astoria

It would be nice to think that Mr. John Morris might save the Finsbury Park Astoria. Built just over 40 years ago at the height of the super-cinema craze, the Astoria is a fine example of the pop-art of the period. Not much to look at from the outside, inside it has a striking Spanish-style decor, designed by the great theatre decorator Komisarjevski. It has an enormous proscenium arch of brick surmounted by a romantic reconstruction of a Spanish village, with false perspectives and genuine building materials combining to give the effect of the roofs, windows and balconies of old Spain.

Morris is an American in the pop show promotion business who heads a new company, Sundancer Theatre Company, which has leased the Astoria from Rank for seven years. It will put on pop and other musical shows, starting with "The Who" next month, and with EMI among the 11 backers of the company, a strong record making interest seems likely.

Morris is spending £150,000 on restoration of the Astoria. But at the end of the seven years, the cinema is due to be pulled down by Rank so that the site can be redeveloped as a shopping centre.

The building does not have the architectural listing which might save it—the obstacle is partly its nondescript exterior. But if Morris can show that the Astoria can still make money, perhaps this monument to 1930s pop art might yet survive the developers.

Meanwhile . . .

. . . the management of another part of Rank was yesterday learning what it was like on *their own shop floor. According* to a story put out by Rank, senior executives at the Rank Leak/Wharfdale factory at Idle (sic) Bradford, were ordered on to the shop floor to learn "how to recognise a good soldered joint from a bad one, printed circuit soldering methods . . . and a great deal more technical stuff." The executives included the manufacturing manager and the engineering technical manager.

One might, of course, argue that senior management could be expected to know about this "technical stuff" already. However, the story quotes executive director Mr. David Bullough as saying: "As a management team, can we really be effective without a realistic understanding of what the bulk of our labour force is employed in doing?"

Well, er, no, no indeed. And to be fair, not all problems of the shop floor are apparent from the Board room. The Rank story quotes another remark by Bullough, and continues "He paused as pretty blonde Mrs. Maureen Burke, one of the instructors, leaned over him and pointed out that there was a certain wire he had not seen for all the other wires . . ." or for Mrs. Burke?

Said Louis to Philip: "I fear
the actual Mikado is here,
and I, though an Earl,
am too much of a churl
to sup with a Samurai peer."

Observer

NORTHERN IRELAND

What Mr. Faulkner wants from Westminster

The Ulster Premier meets Mr. Heath at Downing Street to-day. And, reports John Graham from Belfast, he is looking for two specific commitments. The first involves security in the Province. The second—an assurance that Britain will not simply give up on the Ulster issue

WHATEVER the official announcements may say, to-day's meeting between Mr. Edward Heath and Mr. Brian Faulkner is not a routine affair, if you will admit the use of the word when discussing Northern Ireland. Everyone knows by now that the situation here is bad and getting worse, but it is not yet intolerable. Life goes on, after a fashion, and there is not yet civil war. Indeed, this week saw the third anniversary of the start of the troubles, and although there has been a steady deterioration during those three years, might one not argue that the deterioration could just continue—that the critical point was still some way off?

Divided

One might, but nobody in Northern Ireland does. People are in general divided into those who believe that the critical point has already been passed and that therefore the apocalypse will come willy nilly, and those who believe it is imminent. Mr. Faulkner is one of those who believes it is imminent, in the sense that neither Northern Ireland nor the U.K. Government can afford a long haul.

Two pieces of evidence from the last month or so support this "crisis" view, and for each of them Mr. Faulkner wants a specific commitment from Westminster. The first concerns ordinary security in the province, the second concerns the public and political reaction in England. They are no less important to Mr. Heath than to Mr. Faulkner; this island has amply proved its ability to destroy English politicians.

Take the security situation first. It is no exaggeration to say that it dominates public and private life here, and that there can be no purely political progress until the gunmen and the bombers have been stopped. There was a time earlier in the summer when a set of political initiatives, if seen to be credible and rapidly implemented, might have brought the opposing political factions together and gone some way to satisfying the rival communities' wishes, or at least assuaging their fears.

But now, with literally dozens of explosions nightly, with civilian casualties and armed robberies so commonplace that they scarcely deserve mention, that time has passed. A Unionist member of Stormont told me only yesterday that political initiatives in the present climate are simply irrelevant.

In other words, assuming that the racial and religious bitterness in Northern Ireland *can* be dissipated—and there is reasonable doubt about this—a start cannot even be made until something approaching physical peace is restored. This is Mr. Faulkner's first requirement, and the only person who can supply it is Mr. Heath.

There has already been one attempt to supply it, in the permission granted Mr. Faulkner to introduce internment. On Tuesday Mr. Faulkner spoke of this decision to the opening session of Stormont, and justified it because of the massive intensification of violence that had preceded it. There had been about 40 explosions a month in the five months up to July, but 94 in July and 23 in the first eight days of August.

Mr. Faulkner went on to say that "internment has not ended at a stroke the campaign of violence, and indeed we never reckoned that it would." Well he might say so, because there were 101 explosions in August, 134 in September, and the rate is going up all the time. There has been greater damage to businesses, as well as higher civilian casualties. The lives of British soldiers have come into greater peril as they are daily attacked with nail bombs, petrol bombs and automatic fire. *The size of the bombs being placed by the IRA has gone up from*, say, 10 or 20 lbs. of gelignite to 40 or 50 lbs. and even more.

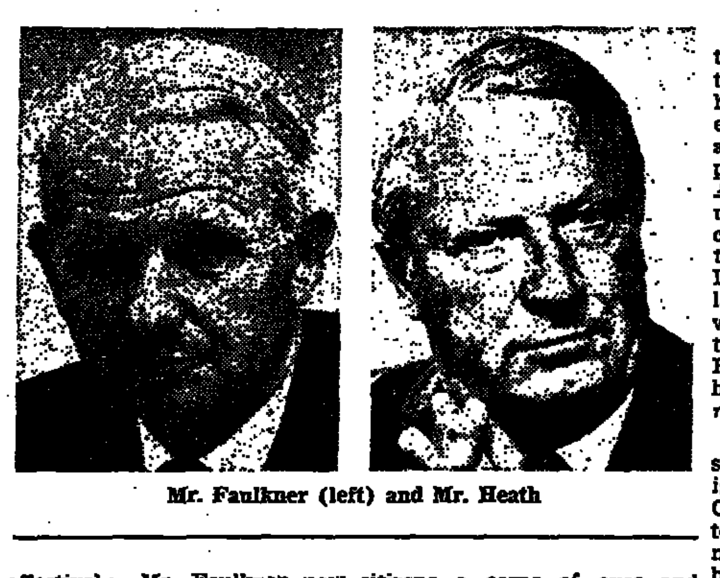
More trouble

In short, the daily battles have increased in number and intensified in severity. Mr. Faulkner claims that among the men interned are some of the most senior officers of both wings of the IRA—63 officers and 96 volunteers of the provisional IRA, and 33 officers and 28 volunteers of the official IRA. This may very well be true, although members of the House of Commons delegation to the internment camp at Long Kesh this week didn't believe it, but what is certain is that there has been far more trouble since internment than before.

Obviously, and despite the house-to-house searches begun by the Army two and a-half months ago, the terrorists are still able to operate and operate effectively. Mr. Faulkner now wants "every other possible means to tighten the screw on the IRA." He wants an Ulster Defence Regiment of 10,000 men—twice its present size—and he wants it to be able to take on much local defence; the British Government and the Army are thought to be not entirely keen on this latter aspect.

He wants far greater control of the border—for which he may need more soldiers. And finally he wants "from the vast body of decent and responsible citizens a corps of eyes and ears to watch, listen and report."

These three things he specifically mentioned on Tuesday, and they will presumably be the nuts and bolts of to-day's meeting. It is the last of them, the "corps of eyes and ears," that is likely to be the most controversial. Is it to be a disciplined body of men, something like a home guard? Or would it, given the temper of Northern Ireland to-day, degenerate into a lynch mob of informers and intimidators?



Mr. Faulkner (left) and Mr. Heath

There are plenty of people in this Province who would love to take the law into their own hands, plenty of Protestants still enraged that the B Specials were abolished. Could such a corps possibly be controlled by the Army, and if not would Westminster agree to some other control? Would it not resemble the groups of vigilantes that Lord Carrington deplored only last week? And if the corps were mainly composed of Protestants—as the Ulster Defence Regiment is—could it possibly help towards resolution of the *real* problem?

So much for Mr. Faulkner's security requirements, and there is no need to stress the urgency. One of these days there is going to be an explosion which does not kill just one or two people but ten or 20. Several bombs quite large enough have been put in crowded places in the past ten days, and have simply failed to go off. This luck cannot hold. I do not believe it is a question of whether: it is a question of when.

'Brutality'

But there is something else that Mr. Faulkner wants, and it has its root in the ancient and driving fear of the majority in this country that they will be abandoned. I do not know about Mr. Faulkner personally, but there are members of his Government and many other elected politicians who do not believe that the British Governments of the past three years have dealt straight with them. "England has never really tried to win," they will tell you. "Imagine if this situation had existed in Yorkshire, Westminster would have had the trouble over in a week."

They tell you that the army has been given just enough men to put itself at great risk and make itself thoroughly unpopular, but not enough to stop the terrorists. Protestants complain because they are forbidden to organise themselves for their own defence, or because the soldiers are not killing Catholics fast enough; Catholics complain because they perceive the British uniform, as they always have, as the dress of the imperialist oppressor.

Listen to a statement by the Northern Ireland Civil Rights Association this week: "The main difference between October 5, 1968, and October 5, 1971, is that the Unionist Government has exchanged a private army dressed in the uniform of the RUC special riot control squad or the B Special for a private army dressed in the uniform of the British soldier. The British Army is now being used openly as a partisan Unionist army. Internment, and the brutality accompanying it, is proof of this fact."

The anxiety now is that England will get tired of the whole dreadful mess. This anxiety has recently been fed by the tripartite talks, by English public opinion polls, by the apparent sterility of political and tactical thinking in London, and by the collapse of the bi-partisan approach to Northern Ireland.

Mr. Faulkner went so far as to hint at this anxiety in his speech, and it must be present in Downing Street to-day: "Ulster alone cannot win this war. Nothing would end it more rapidly than a demonstration from Westminster by *all* parties of an inflexible determination not to yield to terror in a part of the United Kingdom. In our hour of need we—who have been proud to be British and who have made our own sacrifices for Britain—look to our fellow citizens not to give way to war weariness in Ulster. The cost of this campaign is high in the very best of the country's young lives. But they do not die for nothing. They die to protect the right of a free people to live without fear . . . It is vital that people throughout the United Kingdom should appreciate to the full not only the extent of our problem but its urgency."

Instability

Whether such popular support in England is possible, or whether the U.K. Government can do anything to develop it, seems highly questionable. Men such as Mr. William Craig on the Right-wing of the Unionists are being driven to talk of Ulster's going it alone. He believes that the present policies, master minded from London, are nothing more than a guarantee that terrorism and instability will be around for years.

He also believes that the struggle to maintain Stormont is worth a civil war. Unless Mr. Faulkner can achieve a quick and visible improvement in the situation on the ground, and unless the people of Northern Ireland can rely on constructive support from London, that civil war will not be far away.

Labour News

2,200 BL workers stage walk-out

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

REACTING to warning notices given by British Leyland to 900 of the 2,200 workers at the Common Lane, Birmingham, plant making light van bodies—they take effect in January—stewards yesterday discussed the possibility of taking over the factory in emulation of what has happened at Upper Clyde Shipbuilders, but eventually settled for a mass walk-out until Monday. As a result, nearly 200 workers at the Adderley Park factory, where vans are assembled, were without work.

The jobs at Common Lane are redundant because of the phasing out by the end of the year of the Morris Minor van, leaving only half and three-quarter ton vans bodies in production. The rundown of work is part of the rationalisation programme announced last December and, said a BL spokesman yesterday, is "irrevocable." It also affects 1,600 at Adderley Park East works.

Worked hard

Mr. George Evans, district organiser of the dominant union, the National Union of Vehicle Builders, said: "They want to make certain of seeing someone in authority—Lord Stokes has refused to see them—because they want evidence that British Leyland cannot find other work for them although its markets are expanding. They have worked hard, many of them for many years, industrial relations have been good, and they have done a wonderful job on the Morris Minor, they cannot understand why the plant should lie practically idle."

Talks between shop stewards and management, which started on Tuesday, are still going on to try to mitigate the effects of the redundancies.

Meanwhile, at BL's Austin-Morris car plant at Longbridge, the strike for pay parity by 120 assemblers on 1800-type engines has stopped saloon production, with 1,000 laid off, besides cutting MGB sports car production at Abingdon by half. The men are meeting to-day.

Three hundred workers at the Austin-Morris export packing factory at Cowley have walked out, following the management's refusal to hold up its plans to close the factory at the end of the year.

The unions want the decision delayed until their opposition to the closure is discussed at York next week during the monthly meeting of the employers and unions in the engineering industry.

Austin-Morris says that the closure has been brought forward because alternative jobs in the Cowley car complex are now available.

At the nearby Cowley car body plant, members of four craft unions representing some 4,000 timeworkers, have reimposed their overtime ban and other sanctions after hearing details of the management's latest pay offer of increases of between 50p and £2.65 a week.

More talks between the management and union officials are due to be held at York next week. The decision to resume these sanctions was against the advice of national officials.

The sanctions have caused a shortage of car bodies for both the Maxi and the Marina and output of these models at the neighbouring car assembly plant is being restricted.

Three-hundred workers at the Power Brakes factory in Portsmouth have been put on a four-day week because of a "recession" in the commercial vehicle industry. The company supplies air-brake equipment for much of the British commercial vehicle industry.

Unions Act 'trying to create a new climate'

BY OUR LABOUR STAFF

WITH ITS Industrial Relations Act and code of practice the Government was trying to create a climate which would encourage co-operation, facilitate change and promote constructive effort, Mr. Paul Bryan, Minister of State for Employment, said yesterday.

But within that climate, responsibility for developing and sustaining good industrial relations rested on the managements and unions involved, he told an International Business Communications conference in London.

The code was meant to focus attention on proved standards of good practice, not promulgate a lot of untried theories which might or might not be any use, he added. Even so companies which made the most impact would be those which, having studied the code, built upon it and beyond it.

Describing the Act and the code as "one of the most odious pieces of class legislation since the combination laws," Mr. Mike Cooley, president of the technical and supervisory section of the Amalgamated Union of Engineering Workers (formerly DATA) told the conference that in opposing the Act unions would have to break the law "and should not hesitate to do so."

Other Labour News, Page 31

Ministers all-day talk on Ulster

BY RICHARD EVANS, LOBBY CORRESPONDENT

A GROUP of senior Ministers met for several hours at 10, Downing Street yesterday to discuss security in Northern Ireland and to prepare for to-day's visit to London by Mr. Brian Faulkner, the Ulster Premier.

To-day's meeting is seen as a stocktaking following the Chequers summit last week, but Ministers realise that Mr. Faulkner will call for more aggressive tactics by the Army in the fight against the IRA.

What Mr. Faulkner is after is further evidence that the Westminster Government is fully behind him in his determination to stamp out terrorism. One way of doing this would be to increase the number of troops in the province but there was no indication last night that this was planned.

Third force

There is also the need to discuss differences of view between Mr. Faulkner and Lord Carirngton, the Defence Secretary, on matters of security, especially the formation of unofficial vigilante groups in mixed and Protestant areas of Belfast.

Mr. Faulkner has referred sympathetically to the aims of the vigilante groups and the need for some form of intelligence operation to combat IRA hit-and-run raids. Lord Carrington, on the other hand, has publicly disapproved of the vigilantes and clearly fears that they could develop into an ominous armed third force.

Yesterday's meeting of Ministers, which started in mid-morning and continued over lunch until mid-afternoon, was attended by the Prime Minister, the Foreign and Commonwealth Secretary Sir Alec Douglas-Home, the Home Secretary Mr. Maudling, Lord Carrington, the Lord President Mr. William Whitelaw, and the Chief of the General Staff, Gen. Sir Michael Carver.

To-day, Mr. Faulkner will meet Lord Carrington, Sir Alec and Mr. Maudling as well as the Prime Minister.

Alarm over vigilantes

BY DOMINICK J. COYLE DUBLIN, Oct. 6.

THERE IS more than passing interest here in to-morrow's Downing Street talks with Mr. Faulkner, the Northern Ireland Premier, and particularly with reports that there may be some moves to formalise Protestant vigilante group in Belfast and elsewhere into some kind of third security force.

The Dublin Government has made no public comment on this development, but I understand that Ministers here view the proposal with alarm and consider that any decision by Whitehall to sanction such a force could create impossible strains in Anglo-Irish relations.

Deadlock

The opinion here is that such a move over the vigilante groups in the north would inevitably lead to a return of the "B" special constabulary in another form, and it is pointed out that many of the Protestants likely to become involved already possess arms—most of them held under licence.

It is recalled that similar moves in 1969 to organise vigilante groups in predominantly Roman Catholic areas were met with outright opposition both by the Stormont and London Governments, and any different attitude now on the part of Whitehall will be seen here as a potentially dangerous and unilateral concession to one section of the northern community.

The Dublin Government continues to be preoccupied with the Northern Ireland crisis and sees the current situation as being virtual deadlock with the abstentionist Stormont MPs and Senators refusing to join in any peace talks while internment continues, whereas any abrupt end to internment would almost certainly bring down Mr. Faulkner. Ministers are still looking to Mr. Heath to find some way out of this impasse, but the official view is that only a radical restructuring of the present Stormont system can take the initiative away from the gunmen.

Dr. P. J. Hillery, the Minister for External Affairs, will devote much of his speech to-morrow before the United Nations General Assembly to the Ulster crisis.

Police trouble

Meanwhile, the Minister of Justice, Mr. Desmond O'Malley, moved this evening to discourage any public debate on grievances within the police force.

Government urges extra day at Christmas

BY MICHAEL CASSELL

IN AN attempt to reduce absenteeism the Government is advising employers to make arrangements for an extra day's holiday this Christmas.

Mr. Paul Bryan, Minister of State for Employment, announced yesterday that employers were being asked to see if the provision of a further day's holiday could be arranged in lieu of Christmas Day, which this year falls on a Saturday.

Bank Holiday

He also said that Monday, December 27 will be a statutory Bank Holiday, which means that, for many people, the Christmas break will last for four days. In this way the Government hopes to dissaude people from taking unofficial time off, which, in the past, has led to widespread disruption.

Mr. Bryan said the decision to encourage an extra day off had been taken to avoid confusion and reduce absenteeism and recognised the fact that most people now worked a five-day week and would not normally be working on a Saturday anyhow. The extra holiday, he added, would apply to all Government departments.

"In many cases it will be convenient for the extra holiday to be taken on December 28, but local custom, the needs of individual undertakings, the preferences of employees or other local circumstances, including agreements already made, may indicate another date," he said.

Saleroom

£234,600 total for paintings

ON THE second day of their two-day sale of Australian paintings in Sydney yesterday, Christie's sold Sir William Dobell's study for the Opera House, Sydney, for £7,470. The total was £116,400 making £234,600.

John Perceval's *Williamstown Jetty* sold to Queensland Art Gallery for £5,140 and Sir William Dobell's study for sickly twin and his *Kindly Man* to private buyers for £4,440 and £3,970 respectively. *Godfrey* Clive Miller's *Nude and the Moon* went for £3,730.

A sapphire and diamond pendant on a diamond and calibre sapphire necklace by Cartier went to Drager for £6,400, a £14,000 at Christie's London £73,390 jewel sale. A Victorian emerald and diamond brooch went to Drager for £6,400. A diamond ring composed of a brilliant cut diamond mounted as a single stone ring to Jacobsen for £4,000 and an emerald ring to Rossi for £3,300.

At Sotheby's a sale of Japanese lacquer wares realised £19,536. Greenfield gave £580 for a 19th century lacquered Sake bottle and Hurgis £520 for a pair of 19th century Kashibako (sweetmeat boxes) and a tray in the form of two mandarin ducks. A 19th century lacquer Suzuribako (writing box) went to Boyd for £510, an early 19th century small Kashibako to the Antique Porcelain Company for £480 and a 19th century box cover and interior tray of the school of Shiomi Masanari to Marchant for £460.

COMPANY NEWS + COMMENT

First half profit fall for Savoy Hotel

Pre-tax profit of the Savoy Hotel fell from £423,184 to £315,462 after SET of £144,112 (£143,292), in the half year to June 30, 1971.

After a lower tax charge of £100,000 (£140,000) net profit emerges at £215,462 compared *with £283,184*. Total profit for 1970 was £1,088,193 before tax.

Chairman Mr. H. Wontner says the rebuilding of The Berkeley, now nearly complete, was responsible for reduced interest received and increased interest paid amounting in all to £94,259 and this, together with a rise of just over £40,000 in maintenance charges, accounts for the lower profit before corporation tax.

Mr. Wontner says that notwithstanding the interruption caused by the postal strike, which in particular brought about a fall in banqueting business, thereby affecting results of The Savoy especially, consolidated trading profit for the group as a whole was better than that of 1970, and was greatly helped by excellent results from Claridges, the Connaught Hotel and Simpsons-in-the-Strand.

	Half-year 1971 £	1970 £
Consd. trading profit	1,008,421	980,925
Div. & int. receivable	12,830	77,978
Balance	1,022,251	1,058,903
General maintenance	443,426	404,257
Int. payable	117,251	88,140
SET	144,112	143,292
Profit before corpn tax	315,462	423,184
Tax	100,000	140,000
Net profit	215,462	283,184

● **comment**

After the somewhat cautious tone of earlier statements Savoy Hotel seems to have performed slightly better than expected at the trading level in the first half *of 1971 with a 3 per cent.* advance following last year's 3½ per cent. decline. However, pre-tax profits have fallen by roughly a quarter because of the largely foreshadowed increase in maintenance and a reduction in interest receipts. The latter is connected with the rebuilding of the 300-bed Berkeley, which should be ready for resumption of business towards the end of the year. There is no indication of what prospects are for the second half *but on the last 12 months earnings* of 13.4 the p/e is around 27½ for the "A" at 367p which looks high enough on trading grounds alone.

INDEX TO COMPANY HIGHLIGHTS

Midland Electric

Reporting first-half pre-tax profit up from £581,600 to £682,000, the chairman of the Midland Electric Manufacturing Company, Mr. W. J. Barber, says the increased profitability is being maintained and should justify an increased final dividend for 1971.

Meanwhile, the interim dividend is raised from 3½ per cent. to 4 per cent. Previous total was 10 per cent. paid from pre-tax profit of £1.34m.

After tax of £272,000 (£263,000) first-half net profit was £410,000 compared *with £318,600* for the corresponding period in 1970.

● **comment**

Midland Electric's first-half profits —up 17 per cent. pre-tax—are well in line with the forecast last March of a recovery from the 12½ per cent. decline of 1970. Cost inflation was the main problem then but across the board price increases of between 7 per cent. and 8 per cent. plus the usual efforts to reduce overhead costs have helped the group get back on course. But at the same time the progress of the new range of *motor control gears has not* been helped by the capital goods recession while MEM has not as yet benefited from any upturn in the U.K. building sector—a major customer of its U.K. electrical switch and fuse gear interests. However, the full year total should top the 1969 peak of £1.53m. pre-tax, giving earnings of 5.6p against 4.7p. But at 84p the prospective p/e is up around 15 which is clearly counting on the Chancellor's recent measures having an impact on demand in the near future.

Office & Electronic Machines

THE INCREASED profit indicated last July by Office and Electronic Machines turns out to be £237,425, against £195,480, pre-tax, for the half-year to June 30, 1971.

An interim dividend of 7½ per cent. (6¼ per cent. equivalent) is declared and the directors are keeping to their forecast of a total of 20 per cent., an effective rise of 2½ per cent., provided the results for the second half, as expected, justify the increase. Profit for the year 1970 was £461,638.

	Half year 1971 £	1970 £
Trading profit*	243,528	197,175
Interest paid	6,103	1,695
Profit before tax	237,425	195,480
Taxation	99,830	83,487
Net profit	137,595	111,993

*After depreciation £25,084 (£28,327).

Regarding the development of a new electro-static plain paper copier, Mr. E. Markus, chairman, *announces that the new Gestetner* flat-bed copier has now been introduced at the Business Efficiency Exhibition. "Plans are in hand for increasing production by Gestetner Copiers, in which we have a substatnial interest, and we are confident that this will be a profitable investment," he adds.

Other business activities continue to develop satisfactorily.

The chairman has undertaken to waive dividends on 1m. Ordinary shares for the year. Should be dispose of any of these shares he will procure from the transferees a similar undertaking. This has resulted in a saving to the *company of £18,750 in respect of* the interim dividend.

● **comment**

After going through a dull patch in the late sixties Office and Electronic picked up sharply last year and this pattern has continued in the first half of 1971 with a 21 per cent. pre-tax advance. Decimalisation, of course, helped adding machine sales *in* the first quarter and there may have been some slowdown here during the summer. Overall though, business seems to have held up well and Adler typewriter sales, for example, have been boosted by the continuing switch from manual to electric operation with a 42 per cent. rise in U.K. imports of electric typewriters in 1970. Though the extent of any improvement in demand will not be apparent for some weeks yet the pre-tax total could well be in the region of £525,000 this year. The market certainly read the situation bullishly as the shares jumped 8p to 103p yesterday where the prospective p/e is just under 13 on projected earnings of 7.9p, and that could be on the low side if the link-up with Gestetner to sell plain paper copiers lives up to current hopes.

Advance Laundries' £1.55m. aim

AN INCREASE from £1,477,000 to at least £1,550,000 in group profits, before tax, is forecast by Advance Laundries for 1971.

In the first six months a figure ahead from £660,426 to £705,077 is reported.

The interim dividend is unchanged at 4 per cent.—total for 1970 was 17 per cent.

● **comment**

Advance Laundries' 1971 forecast suggests a slowdown in the pre-tax growth rate in the second half of the year from 7 per cent. in the first six months to 3½ per cent. A recent wage award to laundry workers—18 per cent. on basic rates for males and just under 23 per cent. for females—has been taken into account in a new round of price rises which *take effect later this month, and* some allowance has been made for cost increases elsewhere. Margins should, therefore, be maintained and since the corresponding forecast in 1970 turned out to be over-cautious chances are that the latest estimate will prove likewise. The major growth area continues to be on the commercial side (already accounting for over three-quarters of total profits), particularly in the towel cabinet, paper dispenser *and garment hire businesses.* The prospective (fully taxed) p/e of around 12, with the shares at 27p, could therefore stand some upward adjustment.

Spark profit fall—total 37½%

A FINAL dividend of 22.5 per cent. by Spark Holdings effectively raises the total from 35.42 per cent. to 37.5 per cent. for the year ended April 30, 1971.

Last year's final was an equivalent 20.42 per cent.

Group profit, before tax, is down from £984,391 to £897,071, and follows the half-way fall from £442,300 to £321,700.

In their interim statement, directors anticipate that the second half would show profits similar to those of the corresponding period of the previous year—£542,091.

	1970-71 £	1969-70 £
Sales	16,071,727	13,530,657
Trading profit	1,003,876	1,095,168
Engineering	886,461	781,627
Printing	24,871	101,835
Textiles	33,568	129,229
Merchanting	58,578	82,865
Debenture and loan int.	106,805	118,773
Profit	897,071	984,391
Taxation	315,067	421,756
Net profit	582,004	562,635
Attributable	7,119	7,364
Available	574,885	555,271
Interim dividend	151,482	147,567
Final dividend	229,464	205,755

A professional revaluation of the group's properties has shown a surplus over existing book values of £603,000 which has been put to capital reserves.

Mr. N. Cummings (chairman of the executive committee of Consolidated Foods Corporation, U.S.) has accepted an invitation to join *the Board.* Mr. J. G. Lawson is chairman.

Group interests include engineering metallurgy, foundry, light flints, timber, plywood, textiles, etc.

● **comment**

After slumping badly in the first half, Spark has made a partial recovery to leave annual profits down only 9 per cent. before tax (the interim forecast had indicated a 12½ per cent. drop) on sales 16 per cent. up. In line with the half-time indications, the only growth in profits (13 per cent.) occurred in the engineering division thanks to a strong post-budget domestic demand for air conditioners and heating equipment. Profits in both the printing and textile divisions fell by about 75 per cent. The former not only had to face the disruptive effects of the postal strike on the promotional side but also some exceptional problems incurred in resettling part of the works. The textile division merely suffered from the difficulties of adjusting prices in a time of rising costs. In all three divisions, the current year has started well with order books up, costs comparatively stable and prices adjusted. Finally the merchanting side—where profits fell by over a quarter—should show a recovery now that the loss making toy subsidiary has been disposed of. All in all, a recovery seems quite on the cards and the group's record deserves more than the current 9½ p/e at 54½p.

Webb-Nash setback

Group pre-tax profit of Webb-Nash decreased from £45,400 to £23,000 in the first half of 1971, reflecting difficult trading conditions in the engineering field. Profit for the year 1970 was £90,597.

	Half year 1971 £	1970 £
Profit before tax	23,000	45,400
Taxation	9,500	21,500
Net profit	13,500	23,900
Interim dividend	11,250	11,250
Less waiver	3,625	—
Balance	7,875	12,650

No customers were lost in the half year, but there was a general slowing down of demand and postponement of schedules. These conditions have largely continued into the second half and it is not possible to forecast any substantial improvement during the second six months, says chairman, Mr. A. Webb.

In the circumstances it has been decided to maintain the interim dividend at 7½ per cent., *(and the directors hope to maintain* the final at 12½ per cent.). The directors propose to waive dividends in respect of the current year on 750,000 shares.

Statement Page 31

Sir Joseph Hunt, chairman of the Fairey Company, at yesterday's annual meeting in London, where he disclosed that a further order worth some £1.3m. had been placed with the engineering subsidiary for components for the British Army's medium girder bridge. *This brought the total value of orders for the lightweight bridge to around £4m.*

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Advance Laundries ...int.	4	Nov. 30	4	—	17
Bogod-Pelepah Ord.	14.8	—	13	19	17.2
Bonochord ...int.	6	—	6	—	(f)11¼
Bunzl Pulp & Paper ...int.	†2.24p	Nov. 12	2.08p	—	4.48p
Clayton Son ...int.	3	Nov. 10	3	—	10
Craighead Tea	2	—	Nil	2	Nil
Crowther & Nicholson int.	2½	—	Nil	—	2
Dreamland Electrical int.	10	Oct. 29	10	—	30
Ex-Lands	7½	Nov. 19	Nil	7½	Nil
Freemans (S.W.9.) ...int.	7	Dec. 6	7	—	22
W. & J. Glossop ...int.	(d)7½	Oct. 29	5	—	(e)20
H. & J. Hill ...int.	7½	Nov. 8	7½	—	25
S. Jerome & Sons ...int.	2¾	Nov. 11	2¾	—	14
London Housing & Commercial ...int.	7	Nov. 12	(c)7	—	15
Midland Electric ...int.	4	Oct. 30	3½	(h)—	10
Office and Electronic int.	7½	Dec. 6	*6¼	(g)—	*17½
Spark	22½	Dec. 7	*20.42	37½	*35.42
Sun Life Assurance	†1.75p	Dec. 31	1.5p	3.25p	*2.75p
Utd. B'lders M'chants int.	7	Dec. 10	5	—	18
Webb-Nash ...int.	7½	Nov. 1	7½	—	20
Wilmot Breeden ...int.	4	Dec. 31	4	—	12

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) In lieu of final—for 13¼ months. (d) To reduce disparity. (e) Including 2½ per cent. bonus. (f) For 9 months. (g) Total of 20 per cent. forecast. (h) Increased final indicated.

Clayton Son midway profit drop

A FALL in pre-tax profits from £147,589 to £105,877, is reported by engineers Clayton Son and Co. (Holdings) for the first half of 1971.

For 1970, there was a group profit, before tax, of £413,584.

An interim dividend maintained at 3 per cent. is declared at a cost of £37,500—last year's total was 10 per cent.

	Half year 1971 £	1970 £
Group profit	105,877	147,589
Taxation	42,350	65,338
Net profit	63,527	82,231
Minorities	5,532	13,268
Attributable	57,995	68,963

Directors state that low sales figures for the first half year (including a number of non-profit making contracts) have resulted in a lower profit rate than had been anticipated. The *incidence* of contract completions can, however, distort results over a short period. Thus, work in progress stands at a much higher figure than at the start of the year and it is expected that this will enable the year-end result to show a considerable improvement.

Customer-industries served by the Group are still, however, reluctant to commit themselves to large investment programmes, resulting in a shortage of work for the contracting industry and under these conditions it is improbable that the group profit margin will reach the figure attained last year, it is stated.

● **comment**

After a 39 per cent. pre-tax jump in the first half of 1970, Clayton's profits slumped sharply in the second six months to finish 13 per cent. down on the year. This downturn has continued into the current year with first-half profits down 40 per cent. reflecting the current low level of demand for capital equipment throughout industry. With more contracts due for completion in the second six months than in the first, Clayton may be able to pull something back before the year-end, but even assuming an unchanged second half would still leave *annual pre-tax profits no better* than the £370,000 scored in the second six months of 1969 alone. So, at 54p the shares seem to be taking a correctly cautious attitude on a p/e of about 6 for the last reported 12 months.

BSA details likely to-day

Details of the proposed capital reconstruction scheme for Birmingham Small Arms are likely to be sent out to Ordinary and Preference holders to-day by BSA and its advisers, Lazard Brothers.

Discussions about the scheme have been going on since July when BSA revealed losses of £3m in the past financial year and declared the group was undercapitalised and its borrowing powers were insufficient.

The Ordinary holders will be *asked to allow the company's borrowing powers to be increased* and this will enable the current £10m. of overdrafts to be funded on a more permanent basis.

The banks involved insist that the £10m. be covered by a fixed charge on the BSA assets and such a charge needs the agreement of the Preference holders.

It was not clear last night whether BSA would be giving details of more sales of assets in its search for the £5m. cash it said was urgently needed in July. Since then roughly £3m. has been raised by various disposals—including BSA's stake in Alfred Herbert, the Birtley Engineering subsidiary and of a factory at Redditch.

Shares in BSA which have been up to 48p this summer in hopes of a bid stood at 26p last night.

J. & J. Dyson to progress

CHAIRMAN of J. and J. Dyson, Mr. G. A. Lomas, tells members the group is making satisfactory progress and he believes this will continue over the years.

He reminds members once again of the cyclic nature of the domestic steel industry, and as the U.K. has to live on its basic industries for survival "an upturn must come sooner or later," he says.

With certain exceptions, as the result of sales efforts factories are busy, are producing first quality products, and taking advantage of the programme of modernisation and rationalisation now very nearly completed.

Mr. Lomas says he had rather hoped to be in a position to announce that profits for the year under review had reached £2m., but unfortunately during the closing months of the year, the group experienced problems of a non-recurring nature which had an adverse effect on the year's profitability.

As reported on September 10, group profit, before tax, for the year ended March 31, 1971, was £1,895,731 compared with £1,495,917. Total dividend is effectively raised from 16.66 per cent. to 20 per cent.

Referring to Refractories, Mr. Lomas says the recession in the domestic iron and steel industry which emerged in the early Spring has continued throughout the summer months and at present there does not seem to be *any sign of a resurgence of* trading activities from this direction.

Bearing in mind that the British iron and steel industry is the group's main market and the greatest loyalty must always lie there, the group is nevertheless finding great success in exploiting other markets, the chairman says.

Regarding EEC, Mr. Lomas says that entry would open up even greater opportunities, as goods are already sent into a number of European countries, and also to many other parts of the world.

In other non-trading activities companies have, he says, almost without exception, returned greater profits and are continuing to operate satisfactorily.

Meeting, Sheffield, October 29, noon.

● **comment**

J. and J. Dyson's 1970-71 results were boosted by a £95,000 contribution from a new subsidiary, John Knowles, but excluding Knowles, sales and pre-tax profits rises were 13.4 per cent. and 20 per cent. *respectively.* However, this uptrend appears to have met some setback in the first half of the current year. Refractory sales have been hit by the recession in the British steel industry. Some sting has been taken out of this by increased exports, but how much they have helped has to await the interim statement next April. The current half has seen no visible upturn in domestic sales either, but the group expects them to start moving soon: "the time must be near at hand when our customers must again order the tonnages they are actually consuming." So a fully diluted p/e of 8 at 70p for the "A" shares appears appropriately cautious.

ISSUE NEWS AND COMMENT

John Lewis Props. 9¼% debentures

Arrangements are in hand for an issue by John Lewis Properties of £5m. 9¼ per cent. Mortgage Debenture Stock, 1993-97, at £98 per cent.

The stock is *payable* as to £25 per cent. on acceptance and as to the balance on March 24, 1972. The running yield will be £9.44 per cent. and the yield to redemption will be £9.46 per cent.

The issue is being placed by Cazenove and Co. Full details will be published to-morrow and dealings are expected to start on Monday.

BRISTOL OVERSUBSCRIBED

Application lists for the issue of £5m. 7¾ per cent. Redeemable stock 1979-81 in Bristol Corporation at £99 per cent. closed oversubscribed.

The basis of allotment is as follows:

Application	Allotment
£100	£100
£200 or £300	£200
£400 or £500	£300
£600 to £900	£400
£1,000 to £1,400	£500
Above £1,400	32.18 per cent. with maximum of £125,000.

It is expected that dealings will start to-day.

LEASEWAY TRANSPORTATION

The 450,000 shares of Common stock (par value $1 per share) in Leaseway Transportation Corporation have now been sold. The underwriting group was headed by Merrill Lynch, Pierce, Fenner & Smith and CBWL-Hayden, Stone.

See also Page 27

ROHAN GROUP

Allied Irish Investment Bank announce that the offer for sale of 600,000 Ordinary shares in the Cork-based Rohan Group was more than 20 times oversubscribed. The basis of allotment will be issued to-morrow.

BANK OF NEW YORK

Republic National Bank of New York is offering holders of its common stock registered on September 24, 1971, rights to subscribe for 447,972 shares of Common stock (par value $5 per share) at $81 each on the basis of one share for every four already held. The underwriting group is headed by M. A. Schapiro and Co. and CBL-Hayden, Stone.

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Morgan Crucible

Kleinwort, Benson has completed arrangements for the issue of £4m. 9¼ per cent. Debenture Stock 1995-2000 in Morgan Crucible at 99¼ per cent.

The stock is payable as to £25 per cent. on application with the balance due on April 5, 1972. Interest is payable half-yearly with a first payment of £3.57 per cent. due on July 6, 1972. Flat and final yields are 9.547 per cent. and 9.551 per cent. respectively. Asset cover is 3.6 times and interest cover 6.1 times.

Net proceeds, estimated at £3.91m., will be applied partly towards reducing existing bank indebtedness, partly towards the acquisition of plant and machinery and partly towards the provision of additional working capital.

Brokers to the issue are Cazenove and Co.

● **comment**

Carrying a coupon of 9¼ per cent. the Morgan Crucible debenture issue is the first below 10 per cent. for over 2½ years. But despite this drop in interest rates the stock still looks attractive, a point emphasised by the heavy demand for the first tranche. The differential over gilts is only 83p but with stocks like Sheepbridge Engineering 10½s yielding roughly 9½ per cent., Morgan's, with its well known name, should be worth a premium of between ½ to 1 point.

See also Page 26

NEW DEALINGS

Dealings started yesterday in the Ordinary 10p shares of Empress Services. Offered at 14p the shares opened at 12½ p and closed at 12p.

DARES ESTATES

Dares Estates announces that in connection with the proposed rights issue of Preferred shares the extra-ordinary meeting has been called for October 29.

OFFICIAL QUOTATIONS

Permission to deal in and quotation for the undermentioned securities has been granted:—

Army and Navy Stores—£4,000 stock.

Associated British Foods—392,158 Ordinary shares of 5p each, fully paid.

Associated Development Holdings—After allotment, 25,000 Ordinary shares of 25p each, fully paid.

Bluemel Bros.—22,000 Ordinary shares of 25p each, fully paid.

Bond Street Fabrics—500 Ordinary shares of 10p each, fully paid (ranking for dividend from October 1).

Bristol (City and County of) — After allotment, £5m. Bristol Corporation 7¾ per cent. Redeemable stock 1979-81, partly and fully paid £10 per cent. paid; £50 per cent. paid; A/L fully paid.

Brunning Group—83,747 10 per cent. Preferred Ordinary shares of 25p each, fully paid.

Cattle's (Holdings)—235,751 Ordinary shares of 10p each, fully paid.

Compton (J.) Sons and Webb (Holdings) —974,327 Ordinary shares of 20p each, fully paid (ranking for dividend from January 1, 1972).

Centaur Stationers—After acceptance, 1,375,000 Ordinary shares of 10p each, fully paid; 825,000 New Ordinary shares of 10p each, fully paid.

Davies and Newman Holdings—After acceptance, 1,600,000 Ordinary shares of 25p each, fully paid; 2,400,000 New Ordinary shares of 25p each, fully paid.

Eaton Corporation—From October 7, after allotment, 2,012,775 shares: 16,206,429 Common shares of U.S.$0.50 each, fully paid; 2,012,775 Common shares of U.S.$0.50 each, fully paid.

Francis Parker — After acceptance, 13,333,000 Ordinary shares of 10p each, fully paid; 6,167,000 New Ordinary shares of 10p each, fully paid.

Hanson Trust—944 Ordinary shares of 25p each, fully paid.

Imperial Continental Gas Association—£5,724 Capital stock.

Letraset—After allotment, 10,000 shares of 10p each, fully paid.

Maltsters (William) and Denny Mott—New Ordinary, after allotment, 125,288 Ordinary shares of 25p each, fully paid; 200,000 New Ordinary shares of 25p each, fully paid.

Manbre and Garton—£11,366.50 Ordinary stock.

Schlumberger—321,502 shares of Common stock of U.S.$1 each, fully paid.

Steinberg and Sons (London and South Wales)—100,000 "A" Ordinary Non-Voting shares of 10p each, fully paid.

Thomson Organisation—1,583 Ordinary shares of 25p each, fully paid.

Trust Houses Forte—450 Ordinary shares of 25p each, fully paid.

Vaux and Associated Breweries—722,817 Ordinary shares of £1 each, fully paid.

Witan Investment Company—1,590 "B" Ordinary shares of 25p each, fully paid.

AMENDMENT

Coral (J.) Holdings—Quotation was granted on September 8 for 90,000 Ordinary shares of 10p each, fully paid.

Now amended to 60,000 Ordinary shares of 10p each, fully paid.

Ayr County Council—£1,000,000 6½ per cent. Bonds, October 11, 1972, fully paid.

Bristol (City and County of)—£1,000,000 6½ per cent. Bonds, October 11, 1972, fully paid.

Drake and Cubitt Holdings—After allotment, 100,000 Ordinary shares of 25p each, fully paid.

Gloucestershire County Council—£1,300,000 6½ per cent. Bonds, October 11, 1972, fully paid.

Kingsclere and Whitchurch Rural District Council—£500,000 6½ per cent. Bonds, October 10, 1972, fully paid.

Lincoln (City of)—£500,000 6½ per cent. Bonds, October 10, 1972, fully paid.

Northamptonshire County Council—£500,000 6½ per cent. Bonds, October 5, 1972, fully paid.

Solihull (County Borough of)—£750,000 6½ per cent. Bonds, October 11, 1972, fully paid.

Somerset County Council—£1,000,000 6½ per cent. Bonds, October 11, 1972, fully paid.

Walsall (County Borough of)—£1,000,000 6½ per cent. Bonds, October 11, 1972, fully paid.

MINING NEWS

De Beers raises its diamond prices

BY LESLIE PARKER, MINING EDITOR

LAST NIGHT'S news that as from November 1 there will be an overall increase of 5 per cent. in terms of U.S. dollars in the price of rough stones marketed by De Beers' Central Selling Organisation for the various diamond producers in the world for which it handles sales can be read in two ways.

It can be taken as a further sign of the renewed confidence in a recovery in the diamond trade last voiced by Mr. Harry Oppenheimer on September 8. Or it can be seen merely as a chance being seized to obtain the maximum benefit from the good demand for certain qualities of stones that is being experienced in the pre-Christmas trade.

It is, in fact, stated that the adjustment of prices will vary according to quality and size of the gems involved. It can be assumed that some 2 per cent. of the increase is only a reflection of the change in currency rates as between the U.S. dollar and sterling.

Otherwise the price rise probably forms a compromise between the two theories advanced. In other words, it is both an expression of confidence in a revival of world sales, which lifted the half-year CSO figure by 9.6 per cent. to R220m., and a bit of economic sense during a period of expensive stockpiling by getting the best possible value for cheaper quality gems which are selling well, although small stones are believed to be still a difficult market.

The last CSO price increase was of 4 per cent. in July, 1969. The news came after market hours. De Beers were 4p down at 182p. They could receive some stimulus this morning, having fallen from 213p when the half year results were announced on September 8. These showed a modestly higher profit coupled with a prediction of a further improvement in the current six months.

BULL AND BEAR FOR METALS EX.

There was a bull and bear statement yesterday from Metals Exploration the Australian company which among other things is involved in the exploitation of the big Greenvale nickel prospect in Queensland the further tranche of loan financing for which was detailed here yesterday.

The latest announcement states that 1.62m. shares have been placed with Australian financial institutions at $5 a share (233p) which is well above Tuesday's London price of 136p. Subject to shareholders' approval an agreement to place a further 0.4m. shares at the same price has been effected.

The bear point from the market viewpoint was that Metals Exploration is also planning a rights issue to raise $8.4m. (£3.9m.). On the other hand, it is noteworthy that the company reckons that this is all that it will finally have to provide for a project the total cost of which is put at over $200m. (£93m.). Yesterday Metals Ex. dropped another 4p to 132p, the rights issue news apparently making a greater impact than the elevated share placing price.

ASHANTI

It is pointed out by Ashanti Goldfields that the 1970-71 profit given here yesterday is, in fact, straightforwardly comparable with that for the previous year, the amortisation charge for the two periods being approximately the same. The pre-tax figure for the year just ended was £2,433,171, that for 1969-70 £2,059,975.

Tara touching the heights

THE ORE picture at Tara Exploration's Navan zinc-lead prospect continues to build up impressively. The latest progress report states that tonnage indicated within 50 or 75 feet of completed drill holes containing at least 11 per cent. combined zinc and lead is now "very much in excess" of the 20m. estimated in the half-year statement on August 31. As reported in our Mining News column on September 24, a figure of around 30m. tons was subsequently put forward by a company executive.

Seven drills are currently in use with five of them concentrating in the area south of the Blackwater. Here the progress of drilling to the south-west is giving most impressive results, cores showing the greatest combination of length and metal content encountered to date in a programme which now encompasses some 200 holes.

Large potential

Drilling is thus being accelerated in this direction to speed evaluation of the large tonnage potential still in that area with its "impressive evidence of ore-body continuity and above average thickness." The report states that the rapidly expanding rate of ore disclosure is this area and the strength and direction of the main ore block now being revealed allow consideration of a number of alternatives both in the order and method of ore extraction.

Twenty-three holes from which assays have recently been received show intersections ranging from 40 feet with 3.5 per cent. combined zinc and lead to 281 feet with 21.9 per cent. The latter, hole 161 towards the south-west of the pattern, has the best combination of length and metal content of all holes for which assays have been received to date. It includes a 66-foot section assaying a combined 42.1 per cent.

This hole is located to the south of three other recent drillings which have given 11.2 per cent. over 360 feet; 8 per cent. over 370 feet; and 9.5 per cent. over 380 feet. These big core lengths are the longest so far. Zinc continues to predominate over lead in the ratio of five to one. Nine additional holes have been completed but not yet assayed. It is stated that to date approximately 80 per cent. of the necessary land purchases have been completed.

A GOOD MINE GONE WRONG

The General Mining group's Buffelsfontein gold and uranium mine is a classic case of a good mine gone wrong. As detailed here on August 21, the prospective 1971-72 dividend has been slashed to 18 cents from the 33¼ cents paid for the past year to June 30 which compared with 37½ cents for each of the three preceding years.

The mine is suffering from the general malaise of rising costs but its sharply lower distribution prospect stems primarily from the severe reef faulting that has been run into and the consequent necessity to embark on a heavy capital expenditure programme in order to speed up development of the remaining areas of the property. The 1971-72 outlay is put at R7.7m.

In addition, the currently poor market for uranium points to stockpiling of this nuclear material at a cost of some R6m. over the next five years. The chairman, Dr. Tom Muller, nevertheless reckons that there is every indication that uranium demand will improve in the long term.

Shareholders must keep their fingers crossed that the part of the mine to be exploited through the Southern and Orangia shaft systems will give better results. Buffels' future depends on the values in these areas Dr. Muller points out. The shares were unchanged at 160p yesterday.

TIN OUTPUTS

The first of the September outputs of tin concentrates are compared with those for the two preceding months in the attached table.

	Sept. Tons	Aug. Tons	July Tons
Ayer Hitam	204	227	225
Sungei Besi	182	157	213
Sungei Way	86	69	65
Tronoh	293	288	294

MINING BRIEFS

KINTA KELLAS TIN—Tin output for September 45.77 long tons (August: 67.61 tons).

GEEVOR TIN—September: 8,783 metric tons ore treated, 59 metric tons black tin produced (85 per cent. Sn), including 10 metric tons low-grade concentrates (August: 45 tons).

JAMAICA SUGAR

The Board of Jamaica Sugar Estates is negotiating with Serge Island Factory, a Jamaican company, with a view to acquiring the capital, or alternatively certain of the assets.

Outcome is dependent on certain financial arrangements being made in Jamaica and on certain consents being obtained both in Jamaica and U.K.

HEENAN BEDDOW

Heenan Beddow is pressing ahead with its bid for Reeves and Sons, despite the claim by Mr. Christopher Simmons, Reeves' acting managing director, that holders of over 50 per cent. of the equity are against the offer and the recent withdrawal of the recommendation by the Reeves Board. Consequently, HB has extended its offer for a further five days until October 15, although the cash alternative has now closed.

At the same time, HB stated that with acceptances received in respect of its bid for Conway Stewart, together with shares held prior to the offer, it now owns over 90 per cent. of the CS equity. The offer is now unconditional and acceptances will continue to be received. The cash alternative has closed.

J. LYONS

J. Lyons and Co. has acquired the remaining 49 per cent. stake in Lyons Bakkerijen Nov of Rotterdam for an undisclosed sum.

The acquisition was made from NV Meelfabrieken der Nederlandse Bakkerij (Meneba). Lyons previously acquired the 51 per cent. interest from Meneba.
Reuter

JOHN LOVEYS

A £219,000 bid is on the way for John Loveys, the East London men's clothing manufacturing group, from a concern called Portsea Investments.

Portsea has bought 56 per cent. of the Loveys' capital and will shortly offer 17.25p for each of the remaining shares compared with the 16p at which they last changed hands.

SEAFIELD RUBBER

In a letter to shareholders, Mr. A. H. Marshall, chairman of Seafield Amalgamated Rubber, advises them that as Sime Darby Holdings now has control of Seafield they should now either accept the offer or sell their shares in the market.

A. & S. HENRY

Hill Samuel has sent out details of the revised offer by United Drapery Stores for A. and S. Henry. The offer, which is underwritten for cash at 100p a share, has the backing of the Henry Board. Previously, a bid by Great Universal Stores worth some 88p a share had the Henry Board's recommendation.

UNIT TRUSTS

NEW JESSEL EXEMPT FUND

Jessel Britannia is to-day launching a new trust called Jessel Exempt Fund, which is designed to cater for pension funds and charities. The managers aim to offer an initial income of 5 per cent. per annum.

The portfolio will be based on leading stocks, and it is also envisaged that there will be a fixed interest content of up to 20 per cent.

BIDS AND DEALS

ITT buying Rimmel

International Telephone and Telegraph Corporation, the giant U.S. concern, has made its first move into the cosmetics industry through the acquisition from Carlton Industries of a 71 per cent. stake in Rimmel. The number of shares purchased was 4.47m., and with ITT issuing sufficient Common Stock to realise a net cash price of 147.6p per Rimmel share, the deal is worth some £6.5m.

At the same time, ITT plans to make an offer for the balance of the Rimmel shares as soon as possible, with terms producing the same cash price.

In a statement yesterday giving details of the deal, Rimmel announced that an interim dividend of 6 per cent. is to be declared and paid before October 29. For the year to March, 1971, an interim of 5 per cent. was paid, followed by a final of 11 per cent.

The deal is subject to necessary governmental consents. Carlton is part of Sir Max Rayne's London Merchant Securities and Sir Max sits on the Board of Rimmel. In the negotiations, Rimmel has been advised by Schroder Wagg, while Lazards has been advising ITT.

BLASKEYS DROPPED BY GRIMSHAWE-WINDSOR

P. R. Grimshawe and Co., on behalf of Grimshawe-Windsor, announces that, in view of the published findings of the full Take-Over Panel, it can see no purpose in pursuing their offers for Blaskeys (Wallpapers), even though these were clearly more attractive to the minority holders than the offer from Leyland Paint and Wallpaper, and the offers have accordingly been withdrawn.

A subsidiary of P. R. Grimshawe has sold its holding of 93,500 Blaskeys shares at 40p each in the market.

Grimshawe-Windsor is still considering the implications of the situation, including the legal position.

Mr. Peter Grimshawe, chairman of both P. R. Grimshawe and of Grimshawe-Windsor, states that, although disappointed that the offer to acquire Blaskeys on such evidently advantageous terms had been frustrated, Grimshawe-Windsor would continue its planned acquisition programme and that further developments would be announced in the very near future.

BLUESTONE & ELVIN

The offers by Tower Assets for the capital of Bluestone and Elvin have been accepted by the holders of 2,051,666 Ordinary and 132,302 Preference shares and both have been declared unconditional, subject to quotation being obtained and to the passing of the resolution increasing the authorised capital of Tower. Holders of 115,498 Ordinary accepted the cash offer.

The offers remain open, but the cash offer has now closed.

BATTLE FOR W. WOOD

Barrow Hepburn and Gale and Associated Development Holdings yesterday found themselves again opposing each other when both announced deals involving W. Wood and Sons, makers of Revelation luggage. Earlier this year, BHG and ADH were locked in a battle for luggage makers, S. Noton, in which BHG came out on top.

In a joint statement yesterday, Wood and ADH announced that agreement had been reached whereby the latter will sell its Airport and Lomond luggage subsidiary, British Luggage Group, to Wood in exchange for shares. Under the deal, ADH would end up with some 40 per cent. of the Wood equity.

Later, however, BHG announced an offer for Wood valuing the company at around £895,000, or just over 54p a share. The deal, said BHG, would be conditional upon the proposed deal between Wood and ADH not going through.

Consideration for the sale by ADH of British Luggage to Wood is £460,000, to be satisfied by the issue of 1.09m. shares, taken at a price of 42p a share. The price has been based on certified profits by British Luggage of £65,000 for the current year, and net tangible assets of £460,000.

As a result of the deal, it was stated, Revelation would become one of the largest luggage manufacturers in Europe with total sales nearing £5m. at retail sales value.

The alternative which Wood now has to face is an offer by BHG of one Ordinary share, yesterday up 6p to 150p, plus 180p nominal of 10½ per cent. Unsecured Loan Stock 1989-94 for every three Wood shares. With the BHG stock at around 98, the terms are worth just over 54p a share.

Arguing the case for its bid, BHG stated that there would be substantial rationalisation benefits with its own luggage interests. BHG already own 9.9 per cent. of the Wood equity.

Samuel Montagu will be sending out offer documents on behalf of BHG as soon as possible.

BROWN/STANDARD TALKS OFF

Despite the apparent attractions of a merger of Standard Tyre with Brown Brothers and Albany, talks along these lines have broken down and have been terminated. At the same time, BB and A has come out with a forecast of a jump in pre-tax and loan stock interest profits from £1.82m. to £2.35m. for the current 1971 year.

A breakdown in the negotiations was suspected by the market yesterday some time before it was confirmed. At one time Standard's shares showed a fall of 25p to 153p, although there was some recovery later and at the close the fall was reduced to 10½p at 167½p. On the other hand, BB and A's forecast helped boost the price 14½p to 192½p.

Standard's explanation of the situation was that it had been unable to agree the terms of a merger. At Charterhouse Japhet, advisers for BB and A, a spokesman claimed that it had been compromised from the outset because it had been expected that there would be a one-for-one share deal. In fact, during the detailed discussions, BB and A had reached the conclusion that the terms would have to be significantly less.

In the negotiations, Standard Tyre was advised by Slater Walker.

See Lex

ALENCO

Alenco, the engineering components subsidiary of Charterhouse Industries, has set up a Belgian marketing subsidiary, SA Alenco. It is a subsidiary of De Ridder, Alenco's manufacturing base in Holland, and aims to strengthen further the group's position as the leading supplier in Benelux of high and medium pressure hydraulic and pneumatic pipe fittings and associated products.

Wilmot Breeden 25% ahead at half way

FROM SALES 18 per cent. ahead at £21.65m., taxable profits of Wilmot-Breeden (Holdings) advanced by 25 per cent. to £1.39m. in the six months ended June 30, 1971.

Provided trading conditions do not worsen in the last quarter, the directors expect that the percentage profit increase in the first half will continue throughout the second half.

The interim dividend is maintained at 4 per cent. Last year a total of 12 per cent. was paid from profits of £2.19m.

	Half year 1971 £000	Half year 1970 £000	Year 1970 £000
External sales	21,649	18,375	38,311
Profit	1,394	1,115	2,192
Charged:			
Depreciation	540	470	980
Interest	277	235	504
Taxation	601	530	974
U.K.	245	199	317
Overseas	356	331	657
R-R provision	—	—	308
Profit after tax	793	585	910
Minorities	—	—	1
Applicable	793	585	911

The group makes hydraulic and electronic equipment and components for the car industry and the petrol-chemical/aerospace industries.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: Amey Group, Brown Bayley Steels, A. F. Bulgin, Burmah Oil, Clay Cross, J. J. Dunster, House of Lerose, Hunting Gibson, Martin Walter, Storey Bros., Zambia Copper Investments.

Finals: Aurora Gear, Brooks Ventilation, City and Gracechurch Invest. Trust, Dalgety, EMI, Lep Group, Linread, Perak River, Sandhurst Marketing, S. Simpson.

FUTURE DATES

Interims—	
Cape Asbestos	Oct. 26
Clarke (T.)	Oct. 25
Fogarty (E.)	Oct. 14
Frith (W. G.)	Oct. 13
Gill and Duffus	Oct. 21
Highlands and Lowlands Para Rubber	Oct. 19
Lesney Products	Oct. 12
Panawatte Tea	Oct. 11
Queens Modern Hotels	Oct. 15
Smith St. Aubyn	Oct. 13
Warner Estate	Oct. 28
Wecks Trailers	Oct. 12
Wickham-Richardson	Oct. 14
Finals—	
Hussons Brewery	Oct. 26
Rediffusion Television	Oct. 19
Sidroy	Oct. 8

S. Jerome first half profit down

First-half group pre-tax profit of S. Jerome and Sons (Holdings), spinners and manufacturers of worsted fabrics, decreased from £176,875 to £143,855. The figure for the year 1970 was £316,956.

While the results for the half-year are rather disappointing, they must be looked at against a background of a world-wide major recession in the industry. There has been a falling off in orders received from both home and export markets, with a resultant shortening of order books, the chairman states.

Conditions in the industry continue to be very difficult and he sees little indication of an early improvement. However, the Board anticipates maintaining the dividend at 14 per cent. An unchanged interim of 2½ per cent. is declared.

Glossop pays 7½% interim

Public works contractors, W. and J. Glossop, announces pre-tax profit up from £120,000 to £131,000 in the half-year to July 31, 1971, after depreciation of £46,400 against £44,200. Total for 1969-70 was £243,451.

The interim dividend is raised from 5 per cent. to 7½ per cent. to reduce disparity and the Board states this does not indicate an increase over last year's total which was 17½ per cent. plus a 2½ per cent. bonus.

Turnover and profit both increased by comparison with the previous year and the order book continues to reflect a very satisfactory forward work position, report the directors.

Rowland-Jones gives up Raglan chair

Following discussions between representatives of the Raglan Property Trust Board and major shareholders, Edward Bates and Sons and Eldridge Stableford, it is proposed to reconstitute the Board, shareholders are told in a circular from chairman, Mr. James Rowland-Jones.

Among the changes will be Mr. Rowland-Jones's retirement as chairman and the appointment of Mr. Dennis Barkway of Edward Bates in his place.

No change is planned in the executive management of the company but it is proposed that, on his ceasing to be chairman, Mr. Rowland-Jones's service agreement with the company be amended by the removal of restrictions on outside interests.

The proposed new Board will consist of Mr. Barkway, Mr. Rowland-Jones, Mr. R. A. Eldridge, Mr. D. G. Stableford, Mr. P. J. Paterson, Mr. T. W. Haslam and Mr. F. V. Smith.

Mr. Leonard Yeatman will retire as a director but remain secretary.

It is proposed to implement the changes at or immediately after to-day's annual meeting.

Comments Mr. Rowland-Jones: "I consider that these proposals will enable the groundwork laid over the past 18 months to be exploited to the full for the benefit of all Raglan shareholders. As always, I will continue to bear in mind my special responsibility for the smaller shareholders."

Dreamland first half setback

SALES BY Dreamland Electrical Appliances in the first half of 1971 fell from £1,303,900 to £1,082,300, and a loss of £23,300 was incurred against a profit of £61,790.

The traditional upsurge in sales during the second half is occurring; and steps have been taken to minimise expenditure, effect substantial cost savings, and to tailor manufacturing programmes to avoid unduly high stock levels at the year end.

The directors feel it is more than ever difficult to forecast the year's results, but they are maintaining the interim dividend at 10 per cent. In 1970 profit was £231,000 and the dividend 30 per cent.

The depression in first half sales was due largely to caution in trade buying rather than to any material reduction in retail sales to consumers.

Several other factors also affected the trading position, including anticipation by customers of purchase tax reductions, and the possible prohibition of the sale of electric blankets not conforming to a new British Standards' specification. However, these matters are now resolved in a manner which should be of benefit to the group.

Furthermore a large volume of business was lost by the department for the repair and after sales servicing of blankets because of the postal strike. The department sustained a loss of £14,300, compared with a profit of £25,700.

Good start for Ellis and Everard

Mr. Anthony Everard, chairman of Ellis and Everard, the building materials and industrial chemicals merchants, told shareholders yesterday that sales in the first four months to August 31, were on target and new budgeted profit figures were also in line with the increase.

In the period, Mr. Everard said at the annual meeting in Leicester, group sales were nearly 15 per cent. higher at £4.54m. This excluded the agricultural division which ceased trading in June, 1970.

If bigger profits resulted from the increased sales, as was anticipated, "this will be reflected in our dividend policy," he said.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p***	+ or −	Div. & or Amount	Times Covered	Gross Yield	P/E Ratio
♣	F.P.	—	325	312	Anglo-Am.Ind.Cp.(R1)	325	.....	t32½	1.5	6.6	12.3
♣	F.P.	—	300	300	Do. Do. Defd.(R1)	300	.....	t32½	1.5	6.1	11.4
♣	F.P.	—	61	35	Cap.&CountiesW'rr'ts	39	+2	—	—	—	—
♣	F.P.	—	220	145	Carron Co. (Hldgs)	150	.....	b20	2.5	3.3	15.1
5	nil	—	13½	12½	Cosalt Warrants	13½	.....	—	—	—	—
14	F.P.	—	12½	12	EmpressServ.(H'gs)10p	12	.....	bd10	1.2	18.3	10.3
—	F.P.	29/10	95	86	Grand Met. Warrants	94	+7	—	—	—	—
—	—	28/10	90	85	McKaySecs.CapShares	88	.....	—	—	—	—
—	F.P.	16/9	77½	65	Mucklow (A.&J.) Dfd.	76	.....	—	—	—	—
—	—	—	36	27	Sime Darby Warrants	27	−7	—	—	—	—
—	F.P.	—	161	142	Slater W.Secs.W'rr'nts	142	−2	—	—	—	—
100	F.P.	—	105	101	Slater W.Inv.Tst.(50p)	103½	+2½	b4	—	1.9	—
28	F.P.	3/9	36	32½	Thanet Inv. Warrants	33	.....	—	—	—	—
90	F.P.	—	79	60	Tigon Group	74	.....	bd35	2.0	4.7	10.8
—	—	5/11	55	38	Tr'falg'r Hse'B'W'rr'ts	45⅛	+2	—	—	—	—
♣	F.P.	—	83	77	Unitech 10p	78	.....	s10	4.0	1.2	19.2
•17½	F.P.	8/9	18	16½	Wright-Scriven (12½p)	17¼	.....	b12	1.5	8.7	7.7

Issue Price	Amount Paid up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
£100	F.P.	29/10	104¼	100¾	Grand Met 9½% Uns. '77/79	104¼	.....
£100	£50	—	55½	54¾	Do. Do. 4¾% Cum Pref.	55½	.....
£100	£25	14/1	33	29½	Gunnmss (A.) 10% Uns. 1995-98	31½	.....
—	F.P.	—	110	107	Heenan Beddow 10% Prtly Conv. Uns. Ln. 1977	110	.....
£100	F.P.	—	104¼	100	Int. Bank 8% 1976	104	.....
£100	F.P.	—	102	96½	I.C.I. Int. Fin. 8% ST. D.M. Bds. '78-86	102	.....
£97	£10	4/2	13½	10	Ireland 8¾% Stock 1991-96	12¼	−¼
£100	F.P.	—	110	102	Kulim 10½% Conv. Uns. Ln. Stk. 92/97	110	.....
£100	F.P.	—	104½	100	Lewis & Peat 8% Conv. Sub. Uns. '79-81	104½	+2½
£100	F.P.	—	111½	103½	Lon. & Mid. 9½% Conv. Uns. 1988-91	105	+1
£99	£30	15/12	32⅛	30¾	Nottingham 8% Red. Stk. '79-80	32	+⅛
ψ£100	nil	—	22	20	Prop.Inv. & Fin. 6% Conv. '91-96	21pm	−1
£100	F.P.	5/10	124½	114½	Racal Elect. 6% Conv. '95-2000	119	.....
£100	F.P.	—	98	98	Sime Darby 10% Uns. Ln. 1978	98	.....
£100	F.P.	—	106½	101	Simonside Inv. 4½% Conv. Uns. 1976	101½	.....
£100	F.P.	—	114	105½	Slater W. Inv. 8½% Part Conv. 1981	111	.....
††	F.P.	14/10	151	126	Tozer Kemsley 8% Conv. 1981	136	+1
£100	F.P.	5/11	107	101½	Trafalgar Hse. 10½% Uns. Ln. 2001-6	108½	+½
£50	F.P.	31/12	53½	52⅛	Yorks Chems. 10% Deb. 1991-6	52¾	+¼
£100	F.P.	29/10	108½	108½	York Water 10% Red. Pref. 1976	108½	.....

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
‡‡	F.P.	—	123	113	Adepton new 8½% Conv. Uns. Ln. 90/95	113	.....
£100	£10	20/1	13¾	10⅞	Agr. Mort. 9% Deb. 1979-82	13⅛	.....
£100	£10	—	11	10¾	Birm. (City of) 8% Red. Stk. '79-81	10⅞	.....
‡‡	F.P.	17/9	112	98	Butterley 10% Part. Conv. 1976	110	.....
£100	F.P.	22/10	126	106	Cavenham 10% Partly Conv. '91-6	124	−¼
£100	F.P.	22/10	104½	101½	Do. 11% Uns. Ln. 1976	104⅛	.....
£100	F.P.	29/10	128	115	Concentric 10¾% Cnv. 1996	127	.....
£100	£80	—	80½	80½	Cumley & Pitt 8½% 1st. Mort. Deb. '90-5	80½	.....
£100	£65	14/1	76	67	Distillers 10½% Uns. Ln. '93-8	75½	+¼
£100	F.P.	—	110	105½	Dowty 7% Conv. Uns. '86-91	106½	−½
‡‡	—	14/10	115	95	Drakes 10% Uns. Ln. 71/76	102	.....
£100	F.P.	—	120	104	Do. 10% Part. Con. Uns. 1976	120	.....
£99	F.P.	1/10	111	101¾	Eastbourne Water 10¼% Red. Deb. '95-7	111	.....
**100	£25	—	36	35	Do. 10% Red. Pref. 1976	35	.....
£100	£25	—	31	29¾	Essex Water 10% Deb. 1992-4	30¼	+¼
£100	F.P.	29/9	107¼	105¾	Flag Inv. 10½% Deb. Stk. '91-6	106	.....
£100	F.P.	—	110½	106	Gillett Bros. 10% Sub. Uns. '91-6	110	.....

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
12½	F.P.	—	Bristol Plant	14½	+¼
100	F.P.	—	Chubb & Sons	115	+2
50	Nil	—	Cosalt	54½	..
70	Nil	—	Dalton-Forshaw	19pm	..
88	F.P.	—	London & Lennox 'B'	94	..
15	Nil	—	Malakoff Rubber	2pm	−½
47	F.P.	—	Oil & Assoc.	49	+½

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✠ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. • Dealt in under Special Rule. § Price at time of suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Renault forced to shelve some investment projects

BY JANE BERGEROL

PARIS, Oct. 6.

RENAULT will have to postpone certain investment plans in 1972, although *major projects* should remain largely unaffected by alterations in the group's plans. This was perhaps the most striking point to emerge from to-day's Press conference, held before the opening of the Paris International Motor Show, by M. Pierre Dreyfus, chairman of France's State-owned car manufacturer, since it pointed once again to Renault's current difficulties in keeping a reasonable profit margin.

In spite of a record as leading exporter among French motor manufacturers — exports by Renault rose 29 per cent. during 1970—Renault appears to have suffered heavily from the month-long strike that closed down its plants across the country in May this year, resulting in the loss of 60,000 vehicles. As a direct result of the strike, total production for the first nine months of the year is actually down on the *1970 figure—this year's 829,000* units comparing with 1970s 832,000 units.

A measure of the effect of the strike is apparent in the group's figures for production up until the end of April, when a growth of 4.8 per cent. in production over 1970 was recorded, while for private cars alone, production had risen by 6.2 per cent. compared with the same period in 1970. This was the Regie's policy to combat fixed prices and rising costs, which were combining to narrow profit margins, so that the only way to increase profit appeared to be to raise productivity.

To-day, M. Dreyfus repeated this policy, but pointed out that the strike had also affected *Renault's sale on the domestic* market, which rose by only five per cent. during the first three quarters of the year at a time when national sales of all makes rose 13 per cent. Renault now holds 29 per cent. of the domestic market.

All in all, the Regie's director appeared confident about the group's commercial record, but undoubtedly its financial position is beginning to worry the management. Already its 1970 profits have shrunk to Frs.5.5m. from Frs.151.2m. in 1969, though this is explained in terms of its enormously heavy investment programme which caused the expenditure of Frs.1,335m. during 1970. No doubt the 1972 programme will leave unaffected the *more important projects such as* completion of the new plant at Douvrin in Northern France, and the co-operation Renault announced earlier this year with Volvo and Peugeot to produce new car engines.

But with the decline in the group's profitability, and the resurgence of its labour troubles (the unions are notoriously strong at Renault, which lost more than any other motor manufacturer during the 1968 events), rumours have begun to circulate once more that the Government may soon seek to replace M. Dreyfus at the head of the Regie where he has been for some 15 years now.

ENI turnover up 19%

BY OUR OWN CORRESPONDENT

ROME, Oct. 6.

ITALY'S State-controlled energy company, the Ente Nazionale Ibrocarburi (ENI) announced a 19 per cent. increase to Lire 820,000m. on its consolidated turnover for the first half of 1971.

This increase is particularly *significant in view of the back*ground of stagnation which has characterised the Italian economy generally in this period.

The turnover figures include an 8.2 per cent. increase in the petrol sales of its Agip subsidiary, which should be seen in the context of a much smaller 3.7 per cent. increase on total sales of petrol nationally.

The subsequent increase in the market share of Agip is partly a reflection of its new marketing strategy, which has increased the emphasis on the facilities offered at the 6,700 service station outlets throughout Italy.

Meanwhile, the starting of production at the Ekofis North Sea Field, in which Agip is involved, has brought the ENI group nearer to self-sufficiency in crude supplies for the first time in its history.

In 1972 the group counts on receiving 15m. tons of crude from its own sources when its new fields as well as increased production from its Nigerian, Tunisian and Italian sources is taken into account.

Creditors reprieve top Argentinian beef exporter

BY OUR OWN CORRESPONDENT

BUENOS AIRES, Oct. 16.

SWIFT DE LA PLATA, a property of the Nassau-headquartered Deltec International and one of the five largest employers in Argentina has seemingly been saved for the time being by its creditors' overwhelming decision to accept its repayment terms.

These terms specify that ordinary creditors will be repaid in four yearly and consecutive instalment of 10, 20, 30 and 40 per cent. respectively with an interest rate of 12 per cent. annually on peso debts and 3 per cent. annually on foreign currency debts.

Calculating at the current financial rate of Pesos 6.80 to the dollar, Swift de la Plata's debt of about Pesos 120m. is approximately $17.5m. The company has assets of about $100m.

The judge who presided at the creditors' proceedings in Buenos *Aires' municipal San Martin* Theatre, surprised most of those present by fixing this current financial rate—Pesos 6.80 to the dollar—as the present and future rate for Swift de la Plata's outside foreign currency debt of about $10m.

This is a precedent which cannot be allowed to stand, inasmuch as it would decide any foreign lending institution against making loans in Argentina. More than $1m. of Swift de la Plata's foreign currency debt is with the U.S. Export-Import Bank.

About 85 per cent. of Swift de la Plata's creditors, whose institutions are owed about that same percentage of the company's debts, voted to accept Swift's repayment terms.

The debt, caused in large part here, was threatening Swift de la Plata with receivership. It also was threatening the jobs of the company's 12,000 personnel—in two beef packing houses, two sheep slaughter houses and some ancillary industries.

The judge at Swift's creditors by the continuing meat crisis meeting did not allow Swift de la Plata's inter-company debt to Deltec—reportedly about another $12m.—to be represented in the voting.

Interested parties now have eight court days, actually about two weeks, to file suggestions and appeals. After that deadline, the judge has an unlimited period to approve or disapprove the arrangement. It is taken here as a foregone conclusion that he will approve it soon.

This (apparently) encouraging outlook for Swift de la Plata, signified by the voting of the creditors last night, is seen in many quarters here as an indication that foreign companies will continue to receive fair treatment at the hands of Argentine officialdom. The Banco de la Nacion—the Argentine national bank—voted with the creditors who approved Swift's terms.

Daiwa switches London HQ to Amsterdam

AMSTERDAM, October 6.

DAIWA SECURITIES COMPANY, of Tokyo, has moved its European headquarters to Amsterdam from *London, reacting to heavy Dutch* interest in Japanese stocks and bonds.

Other reasons for this move are that Japanese institutional investors are entitled to buy foreign securities and that the Japanese industry increasingly prefers the Netherlands as the base for European operations.

Managing director of Daiwa's Amsterdam office, Kioichi Kimura, stated that Dutch banks and *institutional investors, such* as the Robeco Investment Group, are very interested in Japan's trade and industry. Robeco said recently that it believes it is the largest non-Japanese holder of Japanese shares.

Daiwa's investment company, Daiwa Securities Investment Management, with net assets totalling $600m., wants to expand its investment in Europe, especially in West Germany and the Netherlands. "Thus it is better to have an office in the centre of Europe." Mr. Kimura said.

AP DJ

MANILA'S MONEY MARKET

Booming, but far from ideal

BY JUAN MERCADO, MANILA CORRESPONDENT

FIRST NATIONAL City Bank here reports that the Philippine money market has grown within a decade from a crude interbank call loan system to one able to marshal $2,960m. worth of capital annually.

Despite this impressive growth, Manila's money market is still far from ideal, the FNCB said. It is fragmented into small self-contained sub-markets with tenuous linkages to one another. "There is limited mobility in the flow of funds and instruments through the system."

Yet, barely a decade ago, the only outlet for investible funds *in the Philippines were tradi*tional savings and time deposits with unattractive interest rates ranging from 4 to 6 per cent.

To-day, there are four sub-markets: Government securities, interbank call loans, commercial papers and trade acceptances.

Although Government securities were first floated in the early 1950s, and form a substantial segment in the Philippine money market, they have not been too successful

By September last year, total outstanding securities issued by the Government amounted to $793.9m. Only 15 per cent. of these issues are actively traded in the money market. The rest is in the hands of the banking sector and semi-Government entities.

Part of the reason why an active government securities market has failed to emerge is the relatively unattractive yields of these securities: 4 to 7 per cent. compared with the 10 to 14 per cent. offered by private instruments. As of 1965, three-fourths of outstanding government securities carried interest rates of 4 per cent. and below.

Big push

Then, the Government's record in handling of Treasury Notes has been marred by fiscal impudence during President Marcos' 1969 re-election campaign. The Philippine National Bank created "paper credit" for the Government by overnight buying of Pesos 456.8m. worth of Treasury Notes.

The big push came in 1961 when private commercial and investment banks got together to set up an interbank call loan system. In 1970, this system recorded an unprecedented trading total of $1.88m.

As a stop-gap measure to meet investment requirements of several companies, the leading investment firm here—Bancom Development Corporation—launched its own "Bancom bills" for borrowing and lending in 1965. This proved so successful that Bancom bill transactions rose from a level of $15.6m. in 1966 to $578.1m. in 1969. And it is still rising.

Commercial papers were not long in coming. By 1967, trade acceptances and unsecured promissory notes of two oil companies were traced openly in the market. Since then, 16 foreign and local concerns with impeccable credit ratings have floated commercial paper in the local money market.

Exact data on *total outstanding* commercial papers and the exposures of issuers and dealers are not available. Citibank estimates the current float to be within the vicinity of $78.1m. to $109.3m. To set criteria for commercial issues and keep tabs on growth or decline of this submarket, the Money Market Dealers Association of the Philippines (MMDAP) has been organised.

For the foreseeable future, however, the prospect for the commercial paper market in the Philippines is more growth. Demand for funds among large companies is accelerating. These corporations find open market operations a relatively inexpensive source for additional financing.

For the most part, business corporations with seasonal or yearly excess funds, pump some of them into the Philippine money market. Then come middle-class citizens with savings who seek low-risk, high-yield, and short-term instruments. In 1970, the major buyers in Manila's money market were the mining houses, especially copper miners, insurance firms and trust funds, *while investment companies have* also poured in cash.

The National City Government has been the largest user of funds the money market has succeeded in raising. Treasury Bill issues outstanding at the middle of this year stood close to Pesos 600m., or equal to 77 per cent. of the estimated total money market float.

At present, there are 17 financial institutions in Manila dealing in the *Philippine money mar*ket. These include 12 commercial banks, three investment banks, one development bank and a savings bank. Commercial banks generated 52 per cent. and investment banks 48 per cent. of the total $2,100m. transacted in 1969.

FNCB EARNS 20% MORE

By Nicholas Colchester

NEW YORK, October 6.

THE GOOD performance, this year, by First National City Bank continued to-day with the announcement of nine-month profits up by 20.2 per cent. to $122m., or $2.23 per share. Profits made on the dealing of securities added to this operating profit, making the total per share earnings for the first three quarters $2.25 *against* $1.79 last *time*.

The parent company, First National City Corporation, reported that the bank's operating profit from interest rate differential had been essentially unchanged because of the interest rate squeeze but that progress had been made in other areas of the bank's financial services including its overseas operations. The world currency upheaval had had virtually no effect on profits because of the world wide scope of Citicorp's operations. Profit for the third quarter, including those on security transactions was $39.5m. or 73 cents a share.

IN BRIEF

Europe

● COMECON INVESTMENT BANK has granted Poland the equivalent of over $16m. for the construction of three factories. The investment bank was established in January by the eight member nations of the Council for Mutual Economic Assistance (Comecon), to promote major investment projects in Eastern Europe. The credits are for construction of factories to produce precision machinery, small electric *motors and automotive parts.* The electric motor plant is to produce 10m. motors a year, 70 per cent. for export.

● ENSIDESA and UNINSA, the two Spanish State-controlled steel companies, will merge in 1972. According to Señor Claudio Boada, the president of the INI State-owned industrial holding organisation, the merged companies will produce 6m. tons per year in 1975. Now commemorat*ing its 30th anniversary, the INI* has direct control of 67 Spanish companies and substantial holdings in 83 affiliated enterprises with a total labour force of 180,000.

● ACERINOX, the Spanish-Japanese joint venture, is resuming the construction of its stainless steel factory near Algeciras on the Spanish side of the Gibraltar border line after winning a lawsuit against landowners who had blocked construction since mid-August. The landowners had protested that the location of the factory would depress the tourist trade in the region.

● TECHNOFIL has begun con*struction of a factory to produce* machinery for processing metals under high pressure, mainly cables. The factory is to cost Lire1,350m. When completed, in mid-1972, it is to have annual capacity for more than 100 metal-drawing machines.

North America

● NORTHERN TRUST COMPANY, Chicago, reported net *operating earnings* of $12.22m. for the first three quarters of 1971 as compared with $13.29m. for the similar period last year. Earnings on a per share basis were equal to $4.89. This compares with $5.32 for 1970, after adjustment to reflect the 25 per cent. stock distribution in early 1971. Net income, including the effect of security transactions, totalled $13.07m. for the first nine months of 1971, compared with the net income of $14.29m. for the same period last year.

● RANGER OIL is entering into a long-term contract with Sedco International for the services of a new $23m. semi-submersible off-shore drilling unit. Construction *will be started immediately on the* new rig, to be known as Sedco 701, at the Hawker Siddeley (Canada) shipyard in Halifax, Canada. The rig is scheduled for delivery to the North Sea area in the autumn of 1973.

Others

● METALS EXPLORATION announced plans in Melbourne to raise $18.5m. toward the cost of developing the Greenvale lateritic deposits with a rights issue and two stock placements. Directors said $10.1m. would be raised from placement of 1.62m. shares paid to one cent with balance of $4.99 payable on call and allotment of 4,400,000 shares at $5 each.

● PERNAS, the Malaysian State corporation, will shortly sign an agreement with the Government for tin prospecting rights off-shore from the West Malaysian States of Penang, Perak and Selangor.

● ROAD TRANSPORT CORPORATION, which is Pakistani Government-owned will assemble 250 Fiat buses under an agreement with Fiat, of Italy. Pakistan will also export tobacco to Italy. Fiat will handle the tobacco import. Parts for the 250 buses to be imported by Pakistan will cost $2m., to be financed over 10 years from Italian aid to Pakistan.

● HOWA MACHINERY, of Japan, has signed agreement with North American Rockwell International, permitting the U.S. company to acquire interests of its subsidiary in Brazil. Howa, a textile machinery maker, will transfer 25 per cent. of the outstanding shares of its subsidiary, Brazil Howa, which is capitalised at Yen 750m.

SELECTED EURODÓLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer		Bid	Offer		Bid	Offer
Straight			Oslo 8½pc 1986	94½	95½	Borden 6½pc 1991	106½	107½
Atlas Copco 9½pc 1985	101½	102½	Olivetti 9½pc 1985	102	103	Chrysler 5pc 1988	72½	73½
ASEA 8½pc 1986	95	96	Ontario Hydro 8½pc 1986	98	99	Continental Tele. 5½pc 1988	96½	97½
Beecham 8½pc 1986	94½	95½	Philips 6½pc 1976	94½	95½	Eastman Kodak 4½pc 1988	98½	99½
Borregaard 8½pc 1986	96½	97½	Quebec Hydro 8½pc 1986	95½	96½	Equity Funding 5½pc 1989	87½	88½
Conoco 8pc 1986	95	96	Transocean Gulf 8pc 1986	95½	96½	Firestone 5pc 1988	100½	101½
Conoco 9½pc 1985	104	105	Notes			Ford 6pc 1986	108	109
Courtaulds 9½pc 1985	101½	102½	Cabot 8½pc 1975	101	102	Fuji Photo Film 6½pc 1985	120	Bid
Denmark 9pc 1982	102½	103½	Ericsson 8½pc 1975	101½	102½	Honeywell 6pc 1983	112	113
Esso 8pc 1986	98½	99½	Esso 7½pc 1978	98	99	Kinney 6½pc 1990	108½	109½
Esso 9pc 1985	104½	105½	Esso 8½pc 1975	104½	105½	Komatsu 6½pc 1994	80	82
General Mills 8pc 1986	94½	95½	Gatx Oswego 8½pc 1977	98½	99½	Michelin 6pc 1985	98	99½
GUS 8½pc 1986	95½	96½	Hawker 9pc 1975	100½	101½	Murphy 5pc 1989	82½	83½
Hambros 9½pc 1985	103½	104½	Nippon Petr. 7½pc 1973	98	99	Owens Illinois 5pc 1977	99½	100½
Hammersley 9½pc 1985	102	103	Oslo 9pc 1975	102½	103½	Pepsico 4½pc 1981	137	139
ICI 6½pc 1982	84½	85½	Transocean Gulf 8½pc 1975	102½	103½	Rand Selection 6½pc 1986	90	92
Ireland 8½pc 1986	92½	93½	Source: White Weld Securities.			Revlon 4½pc 1983	102½	103½
ISEC 9pc 1985	101½	102½	Convertibles			RCA 5pc 1988	58	59
Massey Ferguson 9pc 1982	100½	101½	American Can 4½pc 1988	79	80	Texaco 4½pc 1988	55	56
Monsanto 8½pc 1985	101	102	American Brands 5½pc 1988	115½	117	20th Century Fox 5pc 1987	50½	51½
Mt. Bk. Finland 8½pc 1986	95½	96½	Amoco 5½pc 1984	95½	96½	Union Carbide 4½pc 1982	90½	91½
Occidental 9½pc 1982	96	98	Beatrice 7½pc 1990	116	117	Source: Kidder, Peabody Securities.		

COMPANY NEWS

Freemans recovers to finish ahead in first half

MAIL ORDER operators Freemans (London, S.W.9) reports turnover up from £21.05m. to £22.87m. in the 28 weeks ended August 14, 1971, despite the disruption caused by the postal strike.

Profit advanced 48.4 per cent. to £1.4m.; but more significantly the rate of profit to turnover of 6.1 per cent. not only compares very favourably with 4.5 per cent. of the corresponding period but approaches the 6.3 per cent. of the 24 weeks covering the 1970 Christmas season, says the chairman Mr. A. Rampton.

Demand from the Autumn/Winter catalogue so far is well above last year's level, thereby continuing the turnover improvement experienced since conditions returned to normal.

An unchanged interim dividend of 7 per cent. is declared—last year's total was 22 per cent. from profits of £2.31m.

	28 weeks 1971 £000	1970 £000
Turnover	22,876	21,048
Trading profit	1,654	1,249
Interest payable	253	305
Profit before tax	1,401	944
Taxation	560	401
Net profit	841	543

Bonochord sees £0.35m.—holds 6% interim

Chairman of Bonochord, Mr. R. Rigby, is confident that group profit, before tax, for 1971 will not be less than £350,000.

The profit forecast is before charging interest payable in the second half on monies borrowed for the purchase of the Vienna*tone Group* estimated to amount to £19,000.

Group profit for the six months ended June 30, before tax and minority interests was £146,000 (£78,000) despite the effect of the postal strike estimated to have cost £35,000.

An interim dividend of 6 per cent. is declared—total for the previous nine months was 11½ per cent.

	Half-year 1971 £000	1970 £000
Profit	146	78
Taxation	65	22
	81	56
Minorities	3	—
Notional interest*	15	—
Available	63	56

* Less tax.

The chairman states that notional interest is the estimated charge for interest which would have been incurred if the purchase price of the Viennatone Group had been paid over to the vendors on January 1, 1971.

The hearing aid division has recovered fully from the effects of the postal strike and the position of this side of the group's activities is now satisfactory. The language laboratory business is doing well, and will benefit from the acquisition of a 75 per cent. interest in Aveley Laboratories. The depressed state of the electrical industry affected the results of the A.P.T. power supply division and of Terminal Insulators. However, these companies will benefit in 1972 from the rationalisation programme which is now being caried through, he states.

Davidson midway loss £228,000

Although a first-half pre-tax loss of £228,000 is reported by Davidson and Co., the directors state that trading results for 1971 should show an appreciable improvement.

Directors are again omitting the interim dividend—last year there was no final.

In the corresponding half-year there was a pre-tax loss of £21,000, and a loss of £225,823 for the whole year.

After a tax credit of £2,000 (credit £10,000), there is a net loss £226,000 (loss £11,000) for the half-year. Directors state that figures include results of South African and Australian subsidiaries for half-year to December 31, 1970.

The results were adversely affected by the situation in Northern Ireland and by a substantial rise in volume of part-completed long-term contracts on which no profits have been taken.

Orders continued at a satisfactory level, except for short-term work which, due largely to the general trade recession in the U.K., failed to meet expectations.

The group's principal activities include the manufacture of fan and allied equipment and tea processing machinery.

In order more fairly to reflect trading results the Board is considering an alteration to the basis of determining profitability by relating it to output instead of to completed contracts as hitherto. *It is hoped to implement this* change in end of year accounts.

GRANADA GROUP

The Board of Granada announces that in consultation with S. G. Warburg and Co. it has formulated proposals for the repayment of the outstanding Preferential share capital of Granada.

This will be on the basis of 60p. in cash for each of the 800,000 4½ *per cent.* Redeemable Cumulative First Preference shares of £1 each and 75p in cash for each of the 400,000 6 per cent. Cumulative Second Preference shares of £1 each.

Campari poised for expansion

POINTING OUT that Campari had only started to tap the gross potential of the leisure industry, chairman, Mr. G. K. Benscher, said at a Press conference yesterday that the performance so far this year was "very much up to our expectations."

Declining to give a direct profits forecast for the year, he only commented that the growth seen over the past six or seven years was likely to be maintained.

That would be on internal growth only, but Mr. Benscher confirmed that the group was currently having talks with a complementary company which could lead to a bid. He later added that various new ideas were being considered—including the marketing of sports goods and an expansion into camping sites—and that the group was "actively considering" a cash-raising operation to finance them.

In his annual statement he says the company looks forward to Great Britain joining the Common Market, where, it is felt, Campari can play an important role in supplying the European community with leisure equipment.

The Continent is far more leisure conscious than the U.K., and we feel that we have the right merchandise to make a sizeable impact on this large spending area, he declares.

The company is well placed to meet the continuous growth in the leisure industry. Inflationary trends have been successfully controlled.

The products are being increasingly sold, not only by large store groups, mail order houses and leisure shops, but also by the more general retailer who is only now beginning to recognise the potential.

Campari is now becoming a major factor in supplying the growing interest in nautical activities in the inflatable field and this is reflected in an encouraging forward order book, while advance orders in the leisurewear division for the coming season are encouraging.

The potential growth of the footwear division is yet unknown but the chairman feels confident that it will contribute its share to the growth of the company.

As known, group pre-tax profit for the year to May 31, 1971, was £275,973 (£181,164), and the dividend 60 (45) per cent.

Meeting, Abercorn Rooms, E.C., October 28, noon.

Inchcape currently earning considerably higher profits

THE EARL OF INCHCAPE, chairman of Inchcape and Co. says that the results achieved in 1970-71 were "particularly pleasing" because virtually all of the profit increase (from £5.24m. to £6.27m. pre-tax) is attributable to the *profitable expansion of existing* business, since acquisitions did not contribute materially.

Current year results will benefit materially from inclusion of a full year's profits of both Wheelock Marden (Malaysia) and Bewac Motor Corporation, although it is also evident that the rest of the group is, in the aggregate, currently earning considerably higher profits.

It is too early yet to assess the effect the realignment of world currencies will have on the group, but the chairman feels that the benefits and costs may well be self-cancelling.

Latest information indicates that group pre-tax profit and earnings *per share* in the current year should show an "even more satisfactory increase" on the 1970-71 results.

The chairman says that the current year has already seen further significant group developments.

In Malaysia/Singapore a reorganisation has taken place whereby Inchcape Berhad has become the holding company for the businesses in that area. IB is currently making an issue of £4m. loan stock of which 50 per cent. is being offered on the local market as rights to existing IB holders.

In east Australia, Macdonald Hamilton and Co. has now acquired a majority interest in Melinga Mining and Finance Company. In Western Australia, Inchcape (W.A.) has acquired control of Timber Investments. Also, a *satisfactory partnership arrange*ment has been achieved with local interests in Perth and an improved result from that area is looked to.

The chairman gives details of the benefit Inchcape brings to the U.K.'s balance of payments. In 1970-71, the group's contribution from all sources was around £31m.

Meeting, 14-20, St. Mary Axe, E.C., October 29, at 12.15 p.m.

F. G. Gates prospects

Due to the aftermath of the Ford strike and supply problems, first quarter results of Frank G. Gates, main Ford dealers, compare unfavourably with last year, says chairman, Mr. C. F. G. Gates.

With the easing of some hire purchase and credit restrictions and given improved supplies "we are hopeful of increased business for the remainder of the accounting period," he adds.

The next accounts will cover 9 months to December 31, 1971.

As reported on August 24 group pre-tax profit for the year to March 31, 1971 was £256,026 (£254,237) and the dividend 15 per cent. (same). Turnover was £8,057,755 (£7,855,793).

Meeting Cafe Royal, W., October 14, noon.

STEINBERG & SONS

Mr. Jack Steinberg, chairman of Steinberg and Sons (London and South Wales) told shareholders at yesterday's annual meeting that the directors were not unaware of the difficulties but were looking forward to even better results in the current year.

"Our profits will be bigger," he added.

RESULTS AND ACCOUNTS IN BRIEF

BERTAM CONSOLIDATED RUBBER—Results year ended March 31, 1971, reported August 27. Fixed assets £737,558 (£937,920). Investments £242,794 (£230,041). Current assets £325,707 (£188,206). Current liabilities £262,575 (£259,333). Estimated crop for current year is 5.8m. lbs of which 2.47m. harvested to August 31. Meeting, Sevenoaks, October 26 at 11 a.m.

CHUBWA TEA—Results year ended November 30, 1970, reported September 19. Fixed assets £642,921 (£649,702). Net current assets £171,858 (£134,687). Meeting, 82-84, Fenchurch Street, E.C., October [illegible] at 2.15 p.m.

CRAIGHEAD TEA HOLDINGS—Dividend 2 per cent. (nil) for 1970. Group profit £5,412 (loss £11,211). Tax provision no longer required £1,400 (£1,500). Provision for FEEC's £5,902 (£734).

EX-LANDS (in mining)—Dividend 7½ per cent. (nil) for 1970. Ore sales by subsidiary £674,613 (£712,557). Interest received £6,250 (£4,720). Total expenditure £564,724 (£570,929). Profit before taxation £116,119 (£146,048). Tax £67,736 (£90,069). Less overspill relief on proposed dividend £3,241. Net profit £51,824 (£55,979). Overprovided £9,160. Incorporation expenses of subsidiary £920 (£3,159). Available £246,094 (£186,250). Dividend £20,908 (nil). Unappropriated £225,186 (£186,250). Meeting, 20, Aldermanbury, E.C., November 3, at 11.30 a.m.

GRAIN ELEVATOR ESTATES—Dividend 6p (5.41p) per 33p share for year ended June 30, 1971. Net profit £5,142 (£5,073) after tax of £4,200 (£4,400). Add £449 (£58) tax provision no longer required. Dividends £5,040 (£4,550). Forward £8,990 (£8,439). Meeting, Manchester, October 22 at 10 a.m.

H. AND J. HILL (makers of iron castings and annealing cans)—Interim 7½ per cent. (same—total was 25 per cent.). Group trading profit, half year to June 30, 1971, £29,615 (£34,715). Turnover £569,668 was £108,931 higher than for comparable period and slight reduction in profit reflects pressure on margins. It is even more difficult than usual to forecast profits for year but directors believe that they will show little change from those of 1970.

JANTAR—Results year to September 30, 1970, already known. Group fixed assets £277,835 (£266,071). Net current liabilities £56,873 (assets £4,823). Meeting, 38, Finsbury Square, E.C., October [illegible] at 11 a.m.

NEW HIBERNIA INVESTMENT TRUST—Net asset at September 21, 1971, was 82½p per 50p unit. Directors state it is not yet possible to make the statement, which chairman anticipated at the AGM would be issued, regarding an important unquoted investment.

PEERLESS BUILT-IN FURNITURE—Results for 1970 reported September 4. Fixed assets £192,307 (£188,514). Net current assets £96,647 (£89,804). Current year opened well but was then hit by postal strike. It is hoped to recoup lost business in second half. Meeting, Greenford (Middx.), October 28 at 11.30 a.m.

SOUTHERN KINTA CONSOLIDATED—Results year to March 31, 1971, already known. Fixed assets £1,214,080 (£1,349,000). *Buffer stock contributions* £275,559 (£276,469). Advance tribute deposit £151,609 (£170,325). Dredge spares and stores £623,127 (£587,334). Current assets £2,208,730 (£2,104,371), liabilities £2,085,977 (£2,180,895). Meeting, 55-61, Moorgate, E.C., October 28, noon.

COMPANY NEWS

UBM lifts interim by 2%: halfway profit up 41%

FIRST-HALF group pre-tax profit of United Builders Merchants increased from £1,283,000 to £1,806,000—a rise of 41 per cent.—and the interim dividend is stepped up from 5 to 7 per cent. A total of 18 per cent. was paid for the year to February 28, 1971, from a profit of £2,853,880.

Sales for the half year decreased slightly from £37,917,000 to £37,477,000 reflecting the continuing policy of eliminating unprofitable turnover which has had a very beneficial effect on the profit margins of the companies which have recently joined the group.

Since August 31 trading conditions have remained buoyant and the second half of the financial year is traditionally the better in terms of profit contribution, the directors state.

For the purposes of comparison, the results of the six months ended August 31, 1970, have been adjusted to include the sales and profits of the Mercian Group which was not part of the UBM Group at that time.

As a result of the restructuring of trading companies within the UBM Group since the merger with Mercian, it is not possible to calculate, separately, the sales or profits of the former Mercian Group for the six months ended August 31, 1971, it is stated.

As known, UBM has made an offer for capital of Rycroft (Bradford) Holdings on the basis of five Ordinary 25p shares for every six Ordinary 25p shares in Rycroft.

Accepting holders will not be entitled to receive the UBM interim dividend but it is understood that they will receive an interim dividend in respect of their holding in Rycroft which it is anticipated will be declared and paid in the usual way.

See Lex

William Hill Preference

Subject to approval of Ordinary Stockholders at next year's AGM (expected to be in April, 1972), William Hill Organization has reached agreement with the Trustees of the William Hill Family Trusts for substitution of the £1m. Redeemable Preference shares held by the Trustees and due for redemption on July 31, 1971, by a 7½ per cent. Unsecured Loan Stock repayable by five annual instalments of £200,000 in November 1972 to 1976 inclusive.

If repayment is not made the Trustees or William Hill Organization will have the right for one month to convert Loan Stock overdue for repayment into Ordinary Stock at the then current (three months' average) market price. In addition, the Trustees have agreed to defer repayment of their £320,000 4 per cent. unsecured loan to William Hill (presently payable on demand) until November, 1977, but from April 1, 1971, the loan will carry interest at 7½ per cent.

In consideration of these arrangements the Trustees have requested that their holding of 83.36 per cent. of the "A" Ordinary shares to be enfranchised and in view of the benefit of the arrangements to William Hill the directors have agreed to recommend that the whole of the "A" Ordinary Shares be converted into Ordinary Stock. The "A" Ordinary rank pari passu with the Ordinary Stock except as to voting.

Bunzl's current prospects

FIRST HALF group pre-tax profit of Bunzl Pulp and Paper amounted to £2,697,000, against £2,530,000, including £350,000 (£223,000) share of associates' profits.

It is expected that the results for the second half of 1971 will be approximately the same as fort he first half, the directors state. For the year 1970 a profit of £5,535,000 included £441,000 share of associates' profits.

An interim dividend of 2.24p (2.08p) per 25p share is declared. The 1970 total was 4.48p.

	Six months 1971 £000	1970 £000	Year 1970 £000
Turnover	30,142	33,691	57,870
Profit before tax	2,347	2,307	5,094
Share associates	350	223	441
Total profit	2,697	2,530	5,535
Taxation	1,217	1,246	2,686
Net profit	1,480	1,284	2,849
Minority interests	172	154	275
Attributable	1,308	1,130	2,574

The company manufactures cigarette filter materials, paper and packaging materials, etc.

Statement Page 31

See Lex

Telefusion profit rise

MR. J. C. WILKINSON, chairman of Telefusion, reports that benefits are being reaped from the effort and capital expended on colour television.

The future is viewed with "tremendous confidence"—increased profits are looked for this year.

The de-control of television rental in the U.K. provides tremendous opportunities for expansion. The company has unused facilities available and present borrowings amount to 29 per cent. of the company's borrowing powers.

The net cash flow retained in the business, after deducting dividends and tax actually payable, exceeded £2.5m. (an increase of 23 per cent. over last year). While it will be necessary for Telefusion to obtain some additional finance for rental investment, the directors anticipate that much of the money needed will be internally generated, says Mr. Wilkinson.

Regarding the newly formed Trident Television (the company in which Yorkshire Television and Tyne Tees was merged) Mr. Wilkinson points out that Telefusion's investment in that company cost £497,000 and the value at the end of August was £2,350,000.

As reported on August 24 group pre-tax profit for the year to April 24, 1971, was £1,333,000 (£1,105,000) and the dividend 26 (22½) per cent.

Meeting, Connaught Rooms, WC, November 2 at 12.30 pm.

HTV sees much lower profit

LORD HARLECH, chairman of HTV says that there seems to be no good reason for being pesimistic about revenue in the months ahead, and he feels some confidence about prospects, although current year profits will be considerably lower than the exceptional £1.17m. for 1970-71.

As soon as prospects improved in the second half of 1970-71 plans were brought forward for a substantial expansion in group programming, but little of this increased expenditure is reflected in that year's accounts.

The improved prospects for the group also made it possible to push ahead with the development of capital investment plans, but again much of the additional expenditure will be felt in the current year.

Lord Harlech points out that on the basis of last year's advertising revenue the reduced rate of levy would save the company about £500,000. It is planned to spend at least that amount more on programming in the current year.

Meeting, Bristol, October 29 at 11 a.m.

Jones & Shipman profit down

PROFIT for the half-year to June 30, 1971, of A. A. Jones and Shipman, machine tools and equipment manufacturers, decreased from £400,000 to £312,000. The reduction is due to the lower volume of invoiced turnover resulting from the fall in industrial investment, says chairman, Mr. T. S. Shipman.

The company has avoided short time working, although overtime has virtually ceased. Limited production has commenced at the new Cotes Park factory.

Efforts are being made to obtain additional orders from overseas markets. A follow up order from Russia of approximately £1m., with the majority of deliveries planned for 1972, has been negotiated.

The recent Government action to improve investment incentives and other general economic measures introduced, will bring forward the reversal of the poor trading conditions that have prevailed in the home market throughout the year.

The high level of capital expenditure is being temporarily reduced to allow a period of consolidation and to provide finance for some finished stock in anticipation of a rise in orders.

Bread 'will go up 50% under EEC'

BY KELSEY van MUSSCHENBROEK

Mr. Gary Weston, chairman of Asociated British Foods, one of the largest flour millers and bakers in the U.K., yesterday repeated his recent warning that the price of bread in the Common Market would be 50 per cent. higher than at present and not 15 per cent., as assumed in the 1971 Government White Paper on the EEC.

He was speaking at a London symposium on the U.K. Food Industry in the Common Market, arranged by brokers James Capel. He also told the Financial Times that, given current cost trends, notably in wages, the price of bread would probably have to go up again before Christmas. "Certainly, it looks as if bread price levels will soon have to be seriously re-examined," he said.

Mr. Weston is now convinced that the Government has seriously underestimated the increase in food prices that will take place when Britain enters the EEC and fears that because of this the food industry may once again become "the politicians' scapegoat."

After the transition period, the British milling industry would be paying roughly £100m. more for the same wheat being used at present. "And this figure does not allow for further escalation in the EEC prices and levies," he said.

Moreover, most of this money would be paid over in the form of levies on imports of hard wheats to manufacture the quality of bread to which the British consumer was accustomed, "to be passed on, in the main, to the present members of the EEC who cannot produce the wheat we do need," he added.

The figure of an extra 15 per cent. on the price of bread once Britain was in the EEC "will not even cover the increased cost, at to-day's wheat price differential, between here and the Continent of the flour we use and allows nothing for the other 70 per cent. of costs associated with the manufacture and distribution of bread," said Mr. Weston.

Firing line

Given a low annual escalation of only 5 per cent. in wage costs, coupled with such flour price increases and other expenses at the same 5 per cent. rate, "bread will be 50 per cent. higher in price and not 15 per cent. as assumed in the White Paper," he stressed.

If the food industry was to avoid being made once again the cornerstone of a prices and incomes policy and public abuse during the years of entry, "the British public and also the rest of British industry must be made fully aware of the substantial rise in food prices they must expect. We in the food industry are in the firing line, in that most of the initial costs of entry will be passed on to the economy through us," said Mr. Weston.

$23m. drilling rig for North Sea

BY ADRIAN HAMILTON

TEXACO and Ranger Oil of Canada have jointly contracted for a new $23m. semi-submersible rig to work in the North Sea. The rig, which is being constructed in Canada for the U.S. drilling company, Sedco, is due for delivery in autumn 1973.

Over £1.1m. bid

At the same time, Texaco is also entering a long-term contract for another semi-submersible, to be built by Storm Drilling Company of Houston for delivery in February, 1973. Both rigs are designed to drill in the deep waters and heavy seas encountered in the North Sea and other off-shore exploration areas.

Texaco is one of the few companies operating in the North Sea which is applying for blocks on its own rather than as part of a consortium. It successfully bid over £1.1m. for a block in the U.K. in the recent experimental oil auction.

Ranger Oil operates for a group of companies, including Scottish Canadian Oil and Transportation Company and International Utilities. It was awarded four blocks off Scotland in the last round of licences in 1970, but its drilling programme has been held up for lack of suitable rigs so far.

Small savers 'losing inflation battle'

FINANCIAL TIMES REPORTER

THE CURRENT weakness of the unit trust movement suggested that small savers were not exactly a dynamic and enthusiastic body of individuals, according to Mr. Oliver Stanley, managing director of Comprehensive Financial Services and a director of Gray Dawes.

Delivering a paper at an Investors Chronicle conference in London yesterday on Capital protection and growth, he referred to difficulties in the formation and protection of private capital because of inflation and rising taxation.

"What I am suggesting is, given these basic forces against which the small saver is fighting, he is, in a way, fighting a losing battle," he said.

Obvious choices

The small saver had certain obvious choices as to what to do do with accumulated unspent cash. He could turn to National Saving Certificates, building society accounts, the Post Office Savings Bank account or buy gilt-edged stocks. What he needed was more detailed and sophisticated advice than he was able to obtain at the present time.

Newspapers gave advice to the public but it was doubtful whether they had the capacity to advise individuals except at a pretty superficial level. The Financial Times did have a question-and-answer service.

In estate duty, said Mr. Stanley, the mitigation techniques were only one of various techniques which could enjoy capital protection.

On investment techniques, he said, it should be possible to look upon the various forms of investment as a professional discipline so that one could, when advising on capital protection, range over a whole series of alternatives.

"Certain forms of investment have been created in this country during the last decade or so to contribute specifically to capital protection. One thinks immediately of certain specialised life assurance policies and, perhaps, a split-level investment trust which have been developed because of inherent advantages in countering the attacks made by taxation."

Portfolio planning

Mr. J. Dundas Hamilton, a member of the London Stock Exchange, speaking on portfolio planning, said investment was 90 per cent. commonsense. "The only real word of warning one has to sound is: 'Don't put all your eggs in one ordinary basket.' You have to have a spread of Ordinary shares."

On overseas investments, Mr. Hamilton told the conference: "You should look at America, which is devoted to capitalism, Australia, and Japan. You should look at Japan because of the growth in the gross national product which over the next 20 years will probably be greater than in any other country."

Mr. Hamilton said because South Africa would have less problems than some places in Europe in the future, one should consider investing there as well.

"There is no better investment than your own house. You should invest in property and sometimes in property shares," he declared.

Mr. Peter Wilson, chairman of Sotheby and Co., who addressed the conference on the value of works of art as investments, said they had risen continually in value since 1933 with one or two minor setbacks. The prices of works of art to-day were not so tremendous, taking into account the depreciation of money.

"If you take the case of something that was appreciated in 1910 and is still appreciated to-day, and divide the price of to-day for that work of art by ten you will find that prices, particularly for French furniture, are no higher to-day than they were then."

Speaking of the "pitfalls" of investing in works of art, Mr. Wilson said: "No one should buy works of art and think they are going to make a short-term gain. A private person must rule that out. He must enjoy the work of art which will be part of the apparatus of his life, and in due course he will get a nice profit."

July paper and board output lowest this year

BY DAVID WALKER

THE PLIGHT of Britain's depressed paper and board industry continued to worsen in July, according to figures released yesterday by the Department of Trade and Industry.

Overall production in the month, at 273,300 metric tons, was 18 per cent. down on July, 1970, and the lowest announced so far this year.

Within the total, paper output amounted to 205,200 metric tons, 19 per cent. below the figure for 12 months earlier, and board manufacture came to 68,000 metric tons, a drop of 17 per cent.

The latest figures make production in the first seven months of the year 11 per cent. less than in January-July, 1970

Newsprint has remained the worst hit sector The U.K. industry turned out 42,100 metric tons of it in July, the lowest figure for the year till then and 16,400 metric tons less than 12 months earlier.

Over the January-July period, newsprint production averaged 49,900 metric tons a month against 64,800 metric tons in the corresponding period of 1970.

The only area to register any improvement in the seven-monthly comparison was household toilet papers and tissues. Even there the July output figure was well down on the average for the year, even if up slightly on July, 1970.

Gloomy

The picture is made even more gloomy by the fact that paper and board imports in July, at 230,500 metric tons, were sharply above the depressed figure of 153,300 metric tons recorded 12 months before.

For the January-July period, imports amounted to an average of 236,300 metric tons a month compared with 231,800 metric tons in the corresponding months of 1970.

All that advance came in paper sales by foreign producers; board imports fell slightly over the seven months even though they, too, were considerably higher in July than a year earlier.

The rise in imports was accompanied by a fall in exports from the U.K. In July, those came to 20,700 metric tons, 2,100 metric tons more than in June but 700 metric tons less than a year before.

For the January-July period, the average monthly export figure is 18,200 metric tons; a year before it was 18,700 metric tons.

The DTI figures also show that paper and board makers' moves toward making use of a greater proportion of indigenous raw materials has continued.

Their consumption of wood-pulp, the great bulk of it imported, was 23 per cent. down in July compared with the same month last year, while the amount of wastepaper used, virtually all of it arising in the U.K., fell by only 15 per cent

At the end of the month, papermakers' stocks of wastepaper were 21 per cent. higher than a year earlier. Stocks of paper and board on the same day were 1 per cent below the figure on July 31, 1970, with paper stocks up by 6 per cent. and those of board down by 25 per cent.

BOOKS

Royal lady

BY PETER QUENNELL

Victoria and her daughters by Nina Epton. Weidenfeld and Nicolson, £2.50. 236 pages

Your Dear Letter: Private correspondence of Queen Victoria and the Crown Princess of Prussia. 1865-1871. Edited by Roger Fulford. Evans Brothers, £4.00. 323 pages.

Harriet Martineau once defined the youthful Queen Victoria as "*a young woman in prodigiously difficult circumstances*"; by which she suggested, no doubt, that the most—perhaps the only—extraordinary thing about the Queen was the strange position she had inherited. Few hereditary sovereigns, had they lived private lives, would have had much effect upon the world. But, now and then, a ruler appears who becomes a royal legend, and seems to possess some quality that distinguishes its owner from the vast majority of modern men and women.

Among British sovereigns since the death of Elizabeth I, Queen Victoria alone, her admirers tell us, possessed this indubitably royal air. The Queen, writes Miss Nina Epton, in an entertaining study of *Victoria and her daughters*, had "a strength, a power, a mesmeric quality . . . which emanates from great leaders of men . . . the intangible quality that is capable of bringing out devotion and fanatical allegiance." True, Victoria was a *woman of* strong will, combined with extremely strong feelings. Her emotions were "violent," Miss Epton admits: and she refers delicately to the almost unbearable sense of "sexual solitude and loss" that the Queen experienced after the Prince Consort's death, when her favourite daughter, the Crown Princess of Prussia, noted that she was still "as much in love with papa as though she had married him yesterday."

But then, it was the exceptional strength of the Queen's emotions that very often warped her judgment. Once, at least, during her husband's lifetime, she threatened to succumb to "the hereditary malady" and announced that, unless she got her way, she might imitate her grandfather by going mad. As a young woman, her erratic conduct had tended to alarm her *ministers. She did not develop* into a serene and benevolent matriarch until she had eventually reached old age.

Mr. Roger Fulford's *Your Dear Letter* shows the sovereign between 1865, when she celebrated her 46th birthday, *and the early months of 1871.* He has already given us two admirable collections of the letters she exchanged with the Crown Princess Victoria from 1858 to 1865; and he now covers a dramatic and troubled period, during which, he observes, although neither Queen nor Crown Princess had the slightest premonition of the troubles that were yet to come, "each was uneasy, feeling—as we are told birds and animals feel—the portents that proclaim the *storm.*" The relentless Bismarck was marching steadily forward; Prussia had begun to threaten Europe. In July, 1870, the Franco-Prussian War exploded; and, despite the Queen's vigorous pro-German sympathies, she and the Crown Princess were deeply horrified by the idea of a widespread European conflict.

It is as a possessive matriarch, rather than as a constitutional sovereign or a predestined "leader of men," that Queen Victoria presides over Mr. Fulford's latest volume. Besides caring for her innumerable relations abroad, and keeping an anxious eye on their behaviour, she superintends the existence of her numerous children at home, and plans marriages that, in addition to promoting their private happiness, may possibly enrich the blood royal. "Affie," for instance—Alfred, Duke of Edinburgh—who is getting into bad habits, and been "ruined" by his taste for fashionable society, needs marrying-off within the next few years:—

> If only for Affie . . . [she wrote to her daughter in April, 1866] one could find some dark-eyed, handsome and amicable Princess in a mediatized house!—some one who he would really fall in love with. Can't you find him one? . . . It is not as trivial *as you may think for* darling Papa—often with vehemence said "We must have some strong, dark blood," and really all the Protestant Royal Families are related again and again.

Mr. Fulford has edited these letters with his usual skill and sympathy. The Queen herself has drawn a wonderfully vivid self-portrait. The editor's introduction, concise yet informative, adds just the right amount of background.

Open windows

BY C. P. SNOW

Maurice by E. M. Forster. Edward Arnold, £2.00. 241 pages

E. M. Forster at work

It was known for many years that E. M. Forster had written an explicitly homosexual novel. At one time, everyone in certain literary circles seemed to have read it in manuscript. One used to hear the question whispering round: ought he to publish it? He didn't, in his own lifetime. The book, it now *appears from* Mr. P. N. Furbank's introduction, was largely written in 1913-14, that is after *Howard's End* (1910) and before the final novel, *A Passage to India* (1924). Now, in 1971, Forster's literary executors have decided to let it free. In my view, they hadn't any choice.

I will give the reasons later. They are not the merits of the work itself. Although it exhibits some of Forster's good qualities, it makes even more clear his major weaknesses.

The novel is very short, and the story simple. Maurice is a good-looking athletic youth, without distinguished intelligence or insight. He comes from what Forster calls a "suburban" family, but the usage has changed. Maurice is more than *comfortably off, belongs to the* moneyed upper middle-class, goes to a public school and Cambridge, where he has social contacts with young men recognisably in the Lytton Strachey circle. All through his schooldays Maurice has been vaguely *disturbed about his sexual make*-up. At Cambridge, in his own college, he meets another young man, Clive, who has from the age of 15 been certain about his own sexual make-up. Clive is a "county gentleman," high-principled, clever: he recognises at once that he is in love with Maurice, who after various false starts, tentatives, quarrels decides that he returns the love. In fact, after walking through the court in distress one night, he climbs through Clive's window and gets into bed with him. Although Clive isn't in doubt about his homosexuality or Maurice's, he imposes the *rule that the relation must be* kept chaste: and this Maurice cheerfully and happily accepts.

The relation continues in this sublimated Edward Carpenter-like fiction (the book was begun under the influence of Carpenter) for several years: and then, almost overnight, Clive realises that his tastes have been transmogrified. He is now exclusively heterosexual. This happens in his mind, without the physical intervention of a woman. Maurice can't believe it. But in time, after much grief, he has to believe it: for Clive gets married and sets up as a respectable landowner (and prospective Tory M.P.) on his ancestral estate. There Maurice visits him, still hankering after a return of love. He is totally abandoned. He even visits a hypnotist, to see if he too can become heterosexual. But on Clive's land is employed a young gamekeeper. He catches sight of Maurice and falls in love with him.

Once more, in the most casual of meetings, Maurice *realises* that something unexplained has happened to himself. One night, staying in Clive's house, he calls out of his bedroom window yearningly into the dark. Once more some window climbing, this time by Alec the gamekeeper. He duly gets into bed.

The book ends with Maurice explaining to Clive that he and Alec propose to live together like "outlaws." Clive is horrified. We are left to assume that he won't meet Maurice again but *that Maurice and Alec are going* to enjoy a fully sexual and satisfactory life.

About a piece of advice by Maurice's grandfather, Forster remarks that "it was sincere, it came from a living heart." Almost exactly the same could be said about this novel. It is sincere, desperately so. First, and least significant, it is an expression of sexual guilt. Most of this guilt Clive and Maurice (not the gamekeeper, who is represented as an example of working class pagan innocence, that curious creation of the bourgeois early 20th century mind) would believe to be caused by the social and legal climate in which they were living. But compare Proust. There is a weight of sexual guilt in *Sodome et Gomorrhe* although Proust's characters and Proust himself were living in an appreciably more tolerant society, and one where Charlus and Morel at least weren't in danger of any kind of legal prosecution. Of course, the Wolfenden Report did good: it would have banished fears from these decent and honourable people of 50 years before; but it wouldn't have removed everything.

However, that isn't the main point of the book. *It is a novel* with a purpose, and the purpose is to proclaim that homosexual love, in its fullest sense, can be happy and enduring. Hence the ecstatic ending. It rings artistically quite wrong, as a wish-fulfilment: and yet anyone who reads it will hope, without any knowledge of the biography, that for the writer the wish ultimately came true.

In literary terms, though, the purpose—as with most explicit purposes in art—cripples the novel. *It brings out,* and exaggerates, all Forster's lack of feeling for people different from those he mixed with. The Wilcoxes in *Howard's End* are pretty fair cardboard: here we have the same dismissal, only more contemptuous—"throughout life he had been the ordinary business man." Except in the writer's mind, what in God's name is the ordinary businessman? It is only very spasmodically in *Maurice* that the characters exist in their own *freedom. Maurice himself* is well done, and it wasn't easy for a very clever and subtle man to create convincingly a dull one: but, aside from his sexual predicament, the rest of his life is shadowy. So—and again this is an exaggeration of a common Forster weakness—is the grip on the physical world. This applies to illness as much as to sex: Edwardian medicine wasn't so highly developed as our own, but writers like Bennett dealt far less vaguely with physical sickness than Forster does. There is even—shades of Dean Farrar, who is not far away from other passages in the novel—a reference to *brainfever.*

As for the ordinary avocations which these young men must have had, and the games which Maurice is reported as enjoying, Forster is as remote as a rather miffish observer from Japan, and frequently gets the most commonplace idioms wrong. His ear lets him down with a dull thud. The cricket match at Clive's country house is the most absurd and incomprehensible since Dingley Dell. None of this would matter so much if he weren't writing about supposedly hearty young men. There it shows, more nakedly *than in his other novels, the blinkering of* his interest and vision.

In that case, should the book have been published at all? As I said before, his executors really had no choice. If a writer of Forster's reputation leaves unpublished manuscripts, they are going to be produced some time or other, and it might as well be now as later. Forster himself seems to have attached—understandably enough—great value to the book, and probably wanted it published. If he didn't, *he was experienced* enough to have destroyed it.

Will it affect his reputation? Very little I fancy. With committed Forsterians, and there are plenty, not at all. With those like myself, who have always had doubts, those doubts won't be strengthened, because this book merely underlines what has been felt for a long time: that there is a weakening ambiguity in his novels which is not the result of art but a kind of equivocation. For instance, "*personal relations*" *often* didn't mean what persons outside his private world took them to mean. Reticences are usually not damaging to high art, but evasions sometimes can be.

Anyway, many of us passionately devoted or more qualified, have made up our minds. The interesting question remains, how this book will affect readers under say 30. To a good many, even among the most intelligent and imaginative, I suspect it will seem utterly distant, possibly without meaning. *They* ought to realise, though, that in a sense, not so much literally as historical, this book was true: not of many people, but of a section of a small class, for a short period. They may have been unlucky in their temperaments and sexually diffident: but it did happen, and just for once, we can say that things are somewhat better now.

Fiction

Questions of freedom

BY ISOBEL MURRAY

A Free State by V. S. Naipaul. Andre Deutsch, £1.75. 256 pages

The Towers of Silence by Paul Scott. Heinemann, £2.75. 392 pages

The Disinherited by Peter Forster. Eyre and Spottiswoode, £2.25. 335 pages

The Nerve by Melvyn Bragg. Secker and Warburg, £1.90. 190 pages

Both Your Houses by James Barlow. Hamish Hamilton, £2. 274 pages

V. S. Naipaul's latest book is framed by documentary fragments from a travel journal. In the first, the squalid tedium of a crossing from Piraeus to Alexandria is relieved for the narrator by the spectacle of a tramp whose need for even occasional communication with his fellows has gone, and in the last the narrator is spurred to intervene when a ritual whipping of beggar children is staged for tourist cameras in Luxor. Inside the frame are three studies of immense variety, centring respectively on an Indian servant, two West Indian brothers, and two white misfits in black Africa. The new free state these last inhabit is the literal one of the title, but always and everywhere this clearsighted book is defining the limits or the illusory quality of freedom.

Mr. Naipaul has achieved a near-miraculous "negative capability": his simple Bombay domestic who is delighted to be taken to Washington, who innocently brings "country weed," is exploited, despises American Negroes and finally is unhappily trapped in the brave new society more firmly than in his own. He is as convincing as the uneducated West Indian who pathetically pursues dreams of British education for the brother who is *not* sufficiently intelligent to benefit; and whose anger and loneliness eventually issue in the plea:—"Tell Me Who to Kill." The central novel concerns a car journey during a coup d'état in a newly independent African State, with an English homosexual and a frustrated, promiscuous woman. Each section of the book has excellence: the careful arrangement *of the whole is mature,* lucid, cumulative and compassionate.

Paul Scott's trilogy on the end of British India is extending to a quartet, of which *The Towers of Silence* is number three. Although it takes up and views from different angles many incidents and characters of the earlier books, this volume has the unhappily unusual distinction of being truly self-sufficient also. It centres on a largely female population in Pankot, for most men of military age are away at war: its centre is Barbie Batchelor, warm, talkative, secretly unhappy retired missionary. Her worry and loneliness are reinforced when she goes to be the companion of Mabel Layton, solitary tender of her rose garden, and Rose Cottage becomes a symbol of the withdrawal and bewilderment of all that was best in the British Raj. This novel is full of incident, and gathers a kind of elegiac intensity as it progresses. It avoids nothing; it softens nothing: it highlights tragic aspects of human limitation, here not so much the difficulties of the Indians as the rigid and brittle sense of duty of the "Thin White Line," shortly to *go into full retreat.*

The Disinherited is the final volume of Peter Forster's trilogy which began during the Battle of Britain and ends now with Suez and the Silly Season. The development of his two heroes, publisher Tony and writer Alex, and their continuing involvement with Aline, who was forced into early maturity in the French Resistance, is the ostensible centre of the book, and this plot is not without interest. The earlier volumes took the boys through public school and the splendours and miseries of National Service: what emerges is a pair of self-centred complacent middle-class young intellectuals (even when Alex deserts Tory security to stand as a Liberal candidate). The trilogy eventually reads like the explanation and justification of a generation, a generation young during the last war who became the first to be "under the bomb" also, in the event the trilogy is more successful as documentary than as fiction.

In The Nerve, Melvyn Bragg seems to have fallen into the modern error of assuming that because mental illness is a widespread experience of our time, an accurate description of its onset is the full and sufficient justification of a work of fiction. I disagree. His book is very powerful: in order to convey his hero's state it is often deliberately nauseating—the image of the skinless baby in the hero's throat could hardly be nastier. The violent and horrible images are totally justified as projecting his hero's upset, but at the end we say—so what? Loss of touch with reality has been described before, and not only in fiction—Mr. Bragg's earlier books have achieved more than this: I hope his later ones will, too.

I think that setting a Romeo and Juliet story in contemporary Ulster is a cheap and rather sickening idea. *Both Your Houses* is a silly book, making use of all present-day tensions and many totally irrelevant parallels with Shakespeare. The reader amazedly resigns himself to a Tybalt, a vault scene, a double death—but if he is not reviewing the book I see no reason why he should finish it anyway.

Island story

BY NICHOLAS CHANCE

Crisis in Utopia by Peter Munch. *Longman, £3.75. 310 pages*

This is the story of Tristan da Cunha, the south Atlantic island that first attracted publicity when the threatened eruption of its volcano forced the islanders to leave and settle in Britain. In itself this was unremarkable, but it was the 300-odd islanders and their way of life that stimulated public interest and sociological research. Although first discovered in 1506, the barren island of Tristan da Cunha was not effectively populated until 1816. As the number of trading ships in the area increased, the British Government decided to garrison the island, and on the withdrawal of this garrison in 1817, three soldiers remained behind voluntarily to begin what became a unique, "utopian" community.

From the beginning an agreement was signed that laid out their ideal—"no member shall assume any superiority whatsoever, but all to be considered as equal in every respect." Stubbornly resisting any of the "civilising" pressures that the "outside" world brought to bear on *them over the years, the Tristan* community developed the gentle characteristics that the more developed societies have long since forgotten. It was in the two years enforced exile in Britain that drew attention to the islanders unique life style, for after the attempted graft on to a western culture, the Tristans astounded all by announcing their intention to return to their island. They were rejecting totally the values of civilisation and the ethos of the Economic man.

Because it is as a sociologist that Peter Munch has studied the Tristan community, the book will appeal more to those whose interests lie in this direction rather than to those who will read it for its narrative. Nevertheless the story is a strange and fascinating one, and in particular the interaction of civilisation and isolated community raises some topical questions. There is no doubt that the sympathies and affection of Mr. Munch, both as author and sociologist, lie squarely with the islanders of Tristan da Cunha.

Alone in Spandau

BY ALLAN TODD

Hess by Roger Manvell and Heinrich Fraenkel. MacGibbon and Kee, £1.95. 256 pages

It is said that Rudolf Hess was the man who first used the title of Führer for Adolf Hitler in imitation of the Duce used by the followers of Mussolini. For this it might be deduced, and correctly, that he was (is?) a follower, rather than a *leader* and that he was neither creative nor original. He followed, apparently without a qualm, the evil path set by his leader. In June 1934 he took a prominent part in the "night of the long knives" which opened the eyes of the shocked world to the nature of the Nazi government, and though perhaps because of absence he was not involved in some of the blackest deeds of the regime, it is doubtful whether he would have attracted the sympathy *he has* but *for his* having become a pawn in the Soviet chicanery over Berlin.

However, like Charles I, nothing became Hess so much in life as the leaving of it and he left it for all effective purposes on May 10, 1941, when he made his astonishing flight to Scotland. The motives for this flight have been the subject of endless discussion, but they were in essence simple enough, though to any well-balanced person, not strong enough. He wanted Britain out of the war, both for her own sake and in order to guarantee the speedy success of the German attack on Russia, then in the final stages of its preparation. It was, in Churchill's words, a "devoted and frantic deed of lunatic benevolence" and Hess himself did not apparently entertain serious hopes that he would succeed.

The book covers Hess' career from his birth in Egypt, through World War 1, when for a time, though unbeknown to one another, he was an officer in the same regiment as Hitler was a corporal, to the present. His story is well and clearly told here, and whether or not he is ever released from Spandau, it is unlikely that much more about him will come to light.

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COMPANY NOTICES

CHANGES WARES LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER books of the Company will be closed from 18th October 1971 to 20th October 1971, both dates inclusive.

By Order of the Board,
FRAZER, WHITING & CO.,
Registrars.
27-29 Eastern Road,
Romford, Essex.

INTERNATIONAL COMBUSTION AFRICA LIMITED

INTERIM DIVIDEND NO. 46

NOTICE IS HEREBY GIVEN that an Interim Dividend of 5 cents per share has been declared payable to all holders of Ordinary Shares registered in the books of the Company at the close of business on 1st October, 1971.

Under the terms of the Republic of South Africa Income Tax Act 1962 (as amended) Non-Resident Shareholders' Tax of 15% will be deducted by the Company from dividends payable to shareholders whose addresses are outside the Republic.

The ordinary TRANSFER BOOKS and REGISTER OF MEMBERS will be CLOSED from 2nd October to 8th October, 1971 both days inclusive and warrants in payment will be posted from the Transfer Offices on or about 29th October, 1971.

By Order of the Board,
P. G. NEL, Secretary.

South African Transfer Offices:
8th Floor, Main House,
96 Main Street,
Johannesburg, South Africa.
London Transfer Office:
Farrow, Middleton & Co.,
Bourne House,
34 Beckenham Road, Beckenham,
BR3 4TU.

CITY OF STOKE-ON-TRENT CORPORATION BILLS

£600,000 Stoke-on-Trent Corporation Bills maturing on 5th April 1972, were issued on 6th October 1971, at a discount rate of 4 13/16% per annum. This makes a total of 1,100,000 Stoke-on-Trent Corporation Bills outstanding.

METALRAX (HOLDINGS) LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share Transfer Books of the Company will be closed from 5.30 p.m. 18th October, 1971 to 5.30 p.m. 22nd October, 1971, inclusive, for the preparation of dividend warrants.

By Order of the Board,
E. S. MOORE, Secretary.

INTERNATIONAL PUBLISHING CORPORATION LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the 4% Cumulative Preference Shares and the 8% Cumulative Preference Shares will CLOSED on the 1st November, 1971, for that day only, for the purpose of preparing the half-yearly dividend warrants payable on the 1st December, 1971.

By Order of the Board,
W. J. CHANDLER, Secretary.
Orbit House,
9, New Fetter Lane,
London, E.C.4.

THE ALGOMA BONDHOLDERS JOINT COMMITTEE TRUST CERTIFICATES

REDEMPTION OF TRUST CERTIFICATES OF THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY AND THE ALGOMA CENTRAL TERMINALS LIMITED

The Public Trustee hereby gives notice that the above Certificates evidencing an interest in the 4% Non-Cumulative Non-Voting Preference Stock (now repaid) of the Algoma Central and Hudson Bay Railway Company are redeemable at the following rates:—

RAILWAY TRUST CERTIFICATES
For each £100 Nominal Value—Can.$10.90
For each $100 Nominal Value—Can.$2.18
For each Fcs.100 Nominal Value—Can.$2.18

TERMINALS TRUST CERTIFICATES
For each £100 Nominal Value—Can.$7.31

The Certificates must be endorsed in blank by the person named on the face thereof, the signature being duly witnessed. If the person named on the face of a Certificate is deceased, the Certificate must be endorsed by his Executors or Administrators and supporting evidence of their title must be presented with the Certificate. The certificates must then be surrendered for payment by Authorised Depositaries to Binder Hamlyn & Co., 8, St. Bride Street, London, E.C.4. who will furnish listing forms for this purpose on request.

Holders who think they may have claims to repayment should take care to verify that they do, in fact, hold Trust Certificates issued by the Algoma Bondholders Joint Committee upon the terms of a Deed Poll dated the 26th January, 1917 as this Notice relates only to such Certificates.

Authorised Depositaries include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom and the Channel Islands.

Public Trustee Office,
Kingsway, London, WC2B 6JX.
C. A. J. N. O'SULLIVAN.
7th October, 1971.

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ANNOUNCEMENTS

THE NEW ANATOMY OF BRITAIN AND MR. C. O. STANLEY

Mr. Anthony Sampson and Hodder and Stoughton Limited announce with regret that in THE NEW ANATOMY OF BRITAIN published last week, Mr. C. O. Stanley, who is mentioned in relation to the foundation of Associated Television Limited, was erroneously referred to as "now dead." We are pleased to be able to take this prompt opportunity of stating that he is very much alive and that he is still a director of Associated Television Limited as well as various other companies in England and Ireland. We realise that our error must have caused anxiety amongst some of Mr. Stanley's numerous business associates and we wish to offer our sincere apologies to him and to them.

PUBLIC NOTICES

CLYDESDALE BANK

BASE RATE

Clydesdale Bank Ltd., intimate that, until further notice, their base rate, to which all rates of interest on overdraft are related, will be FIVE PER CENT. per annum.

CARDIFF CORPORATION BILLS

£2,350,000 Cardiff Corporation Bills maturing on 5th October 1971 were issued on 5th October 1971 at a discount rate of 4.23/32% per annum. These are the only Cardiff Corporation Bills in issue.

BIRTHS

HOLMES—On October 1st at Queen Charlotte's Hospital, Hammersmith, to Jeanne (née Aymes) and Robert Holmes a daughter (Françoise Laura Josette Hunter).

PLANT AND MACHINERY

BUSINESS OPPORTUNITIES ALSO APPEAR ON PAGE 20

GAS INDUSTRY

The Financial Times will publish in its issue of November 22 a special inset on the Gas Industry. The following indicates the proposed editorial content.

1. **Introduction.** As the industry reaches the climax of its changeover to natural gas supplies, a broad look at its future structure and role in the light of a rapidly changing energy situation in the U.K. and a new political environment for nationalised industries.
2. **Article by Sir Henry Jones, retiring Chairman of the Gas Council.**
3. **The Future Structure of the Industry.** An examination of the Government's proposals for centralising the industry in one authority and how they will affect the traditional structure of area boards.
4. **The Prospects for New Finds.** A look at the industry's supply position over the long-term future. How far has the new price agreement with NCB-Conoco over Viking field encouraged a revival of interest in North Sea exploration and what are the prospects for further finds both off-shore and on-shore. What part is the Gas Council playing in exploration.
5. **Marketing in a New Era of Energy Price Inflation.** The last year has seen a dramatic rise in the price of competitive fuels—oil, coal and electricity. How is the industry reacting to this situation and what opportunities is it bringing.
6. **Interruptible Sales.** The gas industry has developed interruptible marketing as an increasingly sophisticated tool with which to manage supply-demand problems. What has been the experience as these contracts come into operation and how far has the concept been developed.
7. **Control of Natural Gas Flow.** More than 90 per cent. of the industry's supplies are now in the form of natural gas. A look at the techniques of transmission and control, compressor stations etc.
8. **Finance for the Industry.** The final accounts for the year 1970-71 are likely to show the industry with a relatively small surplus and it has now asked the Government for price increases. What have been the problems of funding such rapid rate of expansion and how is the industry tackling the problems of inflationary costs and wages.
9. **Selling Know-how Abroad.** The industry's patented CRG synthetic gas process is now being used in plants in Asia, the U.S. and other parts of the world. A look at this and the experience of the industry's recently established international consultancy service.
10. **Progress in Manufacturing Appliances and Plant.** A review of developments in the application of natural gas to new uses and the problems of changing boilers and other equipment to its use.
11. **Service and Safety.** As conversion to natural gas increasingly affects the customer, a look at how the gas industry has been ensuring safety and coping with service. The effectiveness of the CORGI register, etc.
12. **Gas for Bulk Energy.** The potential for natural gas use in total energy—supplying heat, lighting and power—and the arguments for and against its use in power stations for electricity generation.
13. **Developments in Domestic Appliances.**
14. **Gas in the International Context.** A look at international developments.
15. **LNG.** Its uses for storage and as a means of transporting bulk energy on an international scale.

For further information and advertising rates phone 01-248 8000, extension 581.

APPOINTMENTS

Triplex financial posts for Mr. M. J. Davies

Mr. M. J. Davies has been appointed financial director of TRIPLEX SAFETY GLASS COMPANY and treasurer of TRIPLEX HOLDINGS. He succeeds Mr. E. S. Stowe, who has retired from both positions.

Mr. Davies continues as chief accountant of the Pilkington Safety Glass Division and will be based in London.

★

Sir Hugh Elliott has been appointed a trustee of the BRITISH MUSEUM (NATURAL HISTORY) in succession to the Earl of Cranbrook, whose term of office has expired.

★

Sir Richard Graham has decided not to seek re-election at the annual meeting of TELEFUSION because of additional business commitments.

★

Mr. D. B. Sankey has been appointed a director and general manager of VANDERVELL ITALIA SpA. Mr. J. Whiteside, who has been with Vandervell for 12 years, has been transferred from Maidenhead to Vandervell Italia and has been made plant manager.

★

The following new directors of NICHOLAS INTERNATIONAL have been appointed: Mr. R. R. Walker, vice-president in charge of the European Division; Mr. L. G. Cuming, vice-president in charge of the International and Pacific Divisions; and Mr. A. M. Nicholas, a director of Brayburn and Co. Pty.

Mr. M. J. Davies

★

Girard International Investment Corporation of the U.S. has appointed the following directors to two subsidiaries registered in the U.K.:

PENN INVESTMENTS (LONDON): Mr. Jan J. Wieckowski (chairman), Mr. W. B. Eagleson, Mr. R. Beaumont (managing director), Mr. C. B. Barlow, Mr. J. P. Fahey and Mr. P. Sharp.

PENN SHARP ASSOCIATES: Mr. Sharp (managing director), Mr. Beaumont (chairman), Mr. Barlow and Mr. Fahey.

Mr. A. J. J. Strevens is secretary of both subsidiaries.

★

Mr. P. Baring, of Baring Brothers and Co., has joined the Board of SAMUEL OSBORN AND CO. as a non-executive director. Mr. P. M. D. Crick, on medical advice, has resigned from the Samuel Osborn Board and from the Board of Osborn Steels of which he was managing director. Mr. B. E. Cotton, executive chairman, takes over the responsibilities of managing director of Osborn Steels.

★

Mr. M. J. Kiernan has been appointed an executive director of the FRUIT AND PRODUCE EXCHANGE OF GREAT BRITAIN.

★

Mr. M. A. C. Buckley has been appointed chairman and Mr. J. M. Chalmers and Mr. M. A. Hutson directors of the SEAHAM HARBOUR DOCK COMPANY.

Mr. H. C. C. Wilson, Mr. S. S. W. Dalgliesh and Mr. C. H. Wright have resigned from the Board.

★

Mr. J. G. D. Rudd, who has been a director of BRITISH-AMERICAN TOBACCO COMPANY since 1962, retires to-morrow after 37 years with the company.

★

Mr. Stanley T. Alton has been appointed a director of WESTERN MOTOR HOLDINGS. He will continue as chief executive of the group's vehicle delivery operations as managing director of Distribution Deliveries and its principal operating subsidiaries Autocar and Transporters, B. J. Henry and Dependable Delivery.

★

Mr. Andrew Walker, until recently chief investment adviser of the Bank of London and South America, has been appointed to head the newly formed gilt-edged and fixed interest department of CAPEL-CURE CARDEN AND CO., stockbrokers.

★

Mr. W. E. Fernie has been appointed deputy managing director (life) of TRIUMPH INSURANCE COMPANY from October 13.

He was previously deputy general manager of the Northern and Employers Group. Mr. D. P. W. Jenkins has become deputy secretary of Triumph.

★

Mr. H. E. Robins, publishing director responsible for The Architect, Building Equipment News and Surveyor, is to retire from IPC BUILDING AND CONTRACT JOURNALS on November 1.

★

Dr. Michael Ognall has been appointed an executive director of AIR CALL.

★

Mr. Mark Young, former deputy managing director of C. C. DUNKERLEY AND CO., has been appointed managing director to succeed Mr. W. E. Dunkerley who has resigned to follow different business interests in the area.

C. C. Dunkerley is one of the GKN Steel Stockholding Companies.

★

The following have been elected to the council of BRITISH INSTITUTE OF MANAGEMENT, on which they will serve for five years: Mr. R. Beresford Dew, Professor of management sciences, Manchester University Institute of science and technology; Mr. D. J. I. Gray, managing director of Pye TVT; Mr. N. A. Iliff, deputy chairman, Shell Chemicals U.K.; Sir Hector McNeil, chairman, Babcock and Wilcox; and Mr. Clive de Paula, whose appointment as managing director of the Agricultural Mortgage Corporation was reported yesterday.

★

Mr. Roy Veal has been appointed head of marketing for MILES DRUCE AND CO. He has been managing director of the group's stainless steel and aluminium division since it[s] formation in 1968, and will retai[n] that post in addition to his ne[w] responsibilities.

Mr. Don Taylor has bee[n] appointed general manager [of] the company's oil marketin[g] developments activity. He wa[s] previously group marketing se[r]vices manager.

★

Mr. G. A. Valckeneers, seni[or] principal surveyor of LLOYD'[S] REGISTER OF SHIPPING f[or] Belgium, has retired. His su[c]cessor is Mr. R. H. A. Gezels.

★

Mr. C. D. Blakeborough, direct[or] and general manager, cont[rol] valve division, J. Blakeboroug[h] and Sons, has become chairma[n] of the council of the BRITIS[H] INDUSTRIAL MEASURING AN[D] CONTROL APPARATUS MAN[U]FACTURERS' ASSOCIATION su[c]ceeding Mr. W. H. Medcalf.

Mr. B. W. Balls has been elect[ed] deputy chairman.

★

Mr. Derrick Sawyer, gener[al] manager of Grosvenor Hous[e] London, for the past three yea[rs] has been appointed managi[ng] director of RANK HOTELS. [He] succeeds Mr. R. J. Grant who h[as] left the company.

★

Mr. Nigel Sherlock has join[ed] the Board of the NEWCAST[LE] AND GATESHEAD BUILDIN[G] SOCIETY. Mr. Sherlock is [a] partner in the stockbroking fi[rm] of Wise Speke Sherlock a[nd] Edmenson and also a member [of] the committee of the Norther[n] Stock Exchange.

★

CITY JOB FOR COLIN COWDREY

Mr. Colin Cowdrey, form[er] England cricket captain, h[as] joined ARBUTHNOT INCENTIV[E] TRUSTEES, a subsidiary [of] Arbuthnot Latham Holdings. [He] will be a marketing and pr[o]motions executive for sha[re] incentive schemes for manag[e]ment.

Mr. Cowdrey still expects to [be] playing for his county side, Ke[nt] next summer.

★

RESIGNATION AT RANK

The Rank Organisation [an]nounced in London yesterday [that] Mr. Robert J. Grant, forme[r] managing director of Rank Hote[ls] "has left the company."

Stepping in as managing dire[c]tor is Mr. Derrick Sawyer, gener[al] manager of Grosvenor House [in] London (part of the Trust Hous[es] Forte group) for the past thr[ee] years.

Walker refuses to ban U.K. mineral exploration

BY JOHN HUNT

MR. PETER WALKER, Secretary for the Environment, has turned down a request that there should be no new mineral exploration in Britain until a national policy is drawn up to control mining activities in the national parks and other beauty spots.

The request was made by the Committee for Environmental Conservation, which the umbrella organisation for 18 leading environmental associations.

The committee also asked the Minister to order a national survey of all mineral deposits in places of great natural beauty. That would enable the Environment Department to balance requests for exploration against the need to protect the surrounding area.

In his reply, Mr. Walker said that the plan was a counsel of perfection. The cost would be enormous, and the work would take a long time to complete. It would also be impractical because the Government would have no right to call a halt to mining activities. Local planning authorities had a legal obligation to hear the applications which were put before them.

He assured the committee that the new £50m. Government grant for mineral exploration in Britain did not imply a weakening of planning controls. Applications, whether for prospecting or working of minerals, would be decided on their individual merits. In any case that came before him he would give due weight to amenity considerations.

The reply was considered at a *meeting of the committee* in London yesterday. Afterwards, the secretary, Mr. A. F. Holford-Walker, said members were upset by the Minister's failure to agree to a national survey but heartened by his assurances that the environment would be respected.

The committee agreed to take part in the inquiry by an independent commission into the question of mineral exploration in the national parks. The commission under the chairmanship of Lord Zuckerman, held its first meeting yesterday and decided on a programme for its work. It will meet in private, and submissions will be made in writing.

The commission was set up by Rio Tinto-Zinc and six other mining companies following protests at mineral exploration in the national parks.

Anti-pollution team plan

FINANCIAL TIMES REPORTER

EVERY LARGE industrial plant should have a specialist team headed by senior staff to handle environmental problems, says Mr. F. E. Ireland, chief alkali inspector of the Department of the Environment, in his annual report just published.

The team should see that environmental protection duties are properly carried out and should tell the Press and the public when things went wrong.

Although Mr. Ireland reports that large industrial organisations and trade associations are very environment-conscious, he says the message has still to reach many smaller companies who do not send representatives to the conferences run by the Department.

Name change

The Alkali Inspectorate for England and Wales, the oldest statutory anti-pollution body in the world, is to change its title to the Alkali and Clean Air Inspectorate.

In addition to its statutory duties under that Act, the Inspectorate acts as adviser to the Government and local authorities on the technical aspects of atmospheric pollution control.

French sales boost for British Leyland

FINANCIAL TIMES REPORTER

SALES of British Leyland cars in France went up by 28.3 per cent. in the first nine months of 1071 compared with the same period last year, British Leyland France announced yesterday. Registrations of BL cars reached 17,479 units, or 3,858 more than a year earlier.

Mr. Bernard Lamy, managing director of the French company, reported that the corporation's share of the total French market rose from 1.47 per cent. for the first nine months of 1970 to 1.68 per cent. this year. In September it was 2.1 per cent.

"Our share of the imported car market went up from 7 per cent. to 8.2 per cent.," he said.

"These figures indicate that we have now emerged from the period during which we were establishing our own sales organisation in France and we are now concentrating on the business of selling more cars.

"With its own very strong domestic industry, France is a difficult market for any importer, but I am very optimistic about our future, particularly when Britain comes into the Common Market and we can compete on more realistic terms."

HEATHROW'S CHILLY RECEPTION DESKS

Pan American ticket staff in the new departure terminal at Heathrow walked out yesterday in protest against the cold and BOAC reservations staff refused to sit at their desks.

A delegation from Pan American, BOAC and Air Canada later protested to the British Airports Authority.

Giant Eurobanks seen

THE FORMATION of giant bank[s] fully covering every country i[n] the Common Market is a po[s]sibility if Britain goes into th[e] EEC, says Mr. John Thomso[n], chairman of Barclays Bank.

Writing in the latest edition [of] Barclays Bank Briefing he sa[ys] that this could come about if [the] Community adopted a unif[ied] currency.

If a single capital market we[re] established the enlarged com[]munity would become a domest[ic] market of 250m. people with tra[de] and investment unhampered b[y] tariff and exchange contr[ol] barriers.

"A bank of any nationali[ty] within such a community mu[st] consider the possibility of exten[d]ing not only its international bu[t] also its domestic operations [to] cover the entire market," he sa[ys].

"Existing alliances could b[e]come much closer. Money tra[ns]fer systems might be standardis[ed] and branch networks extend[ed] throughout the Community [so] that any customer could obta[in] normal banking services in [all] member countries."

Integration scheme for Yarrow Group

IN an effort to reduce costs a[nd] produce overall economi[es] throughout the Yarrow grou[p] the boilermaking activities [of] Yarrow and Co. are to be inte[]grated in Yarrow (Shipbuilders).

The boilermaking activities [at] present are carried out by Yarro[w] Engineers (Glasgow). Yarro[w] (Shipbuilders) is also responsib[le] for general engineering wo[rk] associated with ship constructio[n].

A group spokesman sa[id] rationalisation of activities wou[ld] start soon. The complete inte[]gration would take some tim[e] but at some future date Yarrow (Shipbuilders) would be rename[d] Yarrow (Shipbuilders, Engineer[s] and Boilermakers).

"While there is a shortage [of] boiler manufacturing wo[rk] throughout the country it [is] hoped that there will be an up[]surge in investment in ne[w] boiler plant in the years ahead," he added.

Flying Fish No. 1 well prospects

The Sydney Stock Exchange ha[s] been advised by NSW Oil and Ga[s] Company that it proposes to dri[ll] Flying Fish No. 1 well during the currency of the Sailfish drilling programme. It will be locate[d] about 10 miles west of the Esso/BHP Barracouta oilfield.

The report by DeGolyer and MacNaughton, petroleum consul[]tants, says the Flying Fish stru[c]ture "appears to be a worthwhi[le] drilling prospect that could prove to be an economically viable ven[]ture, especially if oil, rather tha[n] gas is encountered."

The drilling vessel Glomar Con[]ception sailed yesterday from Portland, Victoria, for Sailfish No. 1 location in Bass Strait. Drilling is scheduled to commence on Friday.

Hotels urged to extend collective bargaining

BY MICHAEL HAND, LABOUR CORRESPONDENT

HOTELS and restaurants are urged in a report published yesterday to strengthen their labour relations by widely extending bargaining between managements and unions.

The industry was chosen by the Government for an investigation by the Commission on Industrial Relations so that it could examine how labour relations should best be dealt with in an area of relatively weak union organisation. In this case only between 3 and 5 per cent. of the workers are believed to be organised, except in British Transport Hotels where the figure is estimated to be between 25 and 30 per cent.

Commenting on the report last night, the British Hotels and Restaurants Association was at pains to point out that the inquiry was not instituted because labour relations in the industry are unhappy. "In fact, the industry has a record which must be unequalled by any other industry in the country," said a spokesman. "For over a period of some 25 years there have been scarcely any cases of industrial trouble and certainly no major dispute."

Earnings differ

The CIR found that pay rates in the part of the industry it examined are determined largely by individual hotel managers according to local market pressures. These, says the CIR, have far more influence than the statutory minimum rates laid down by the wages council in this sector.

As a result, earnings differ greatly in and out of season, between regions and between individuals in the same occupations. The report says there is seldom any consistent policy or rational system for settling wages, and very few collective negotiations.

The CIR points out that the growth of the service charge system has reduced the importance of tips "and as the proceeds are often, but by no means always, shared by all employees, it has redistributed income within the hotel." But, the report adds, "we frequently found a situation where the basis of the share-out was unstated and unsystematic and not communicated to employees." This led to resentment and was hardly conducive to good industrial relations.

The report says a major priority should be given to joint talks to review and overhaul the basis of the service charge system, suggests that at some future time talks might also be held about abolishing it altogether by establishing a wage structure which would give each worker a regular and stable wage.

The wages council should continue to determine minimum pay and conditions but if defined geographical areas or individual companies became covered by voluntary collective bargaining they should be removed from the scope of the council.

The council should also consider simplifying the present minimum rate structure and the possibility of establishing minimum weekly earnings levels for hotel and restaurant workers.

The CIR report on hotels and restaurants deals with only part of its reference from the Government which asked it to look at industrial relations in the whole of the hotel and catering industry. There will be two further reports, dealing with the main sectors in catering—including industrial and institutional catering, public houses and licensed clubs. In the current report, the CIR concentrates on licensed hotels, of which thre are more than 9,000 in Britain, employing about 230,000 people.

The industry is urged to make better use of its manpower and to reduce its "unusually high" labour turnover. The CIR refers to the importance to hotels of female labour, seasonal and part-time labour and foreign workers (whose numbers in the hotels visited by the commission varied from 5 per cent. to more than 45 per cent.).

It also advocates provision of procedures for resolving grievances and for consultation and communication. It found a general lack of such arrangements. As hotels increase in size and complexity, says the report, the existing methods of informal, often very personal relationships between management and staff, may prove inadequate.

It says that long hours of work, split shifts, alternation of work flow and technical changes can again lead to grievances which will not be satisfactorily solved unless there is some sort of permanently agreed joint system of doing this.

Hotel managers are urged by the report to make known their willingness to co-operate with the General and Municipal Workers' Union as the appropriate body (except in British Transport Hotels where the company has agreements with two of the railway unions, who say the CIR still have considerable scope for extending recruiting and servicing in this sector). Managers should also grant facilities for union recruitment, it says.

The GMWU is recommended to strengthen its organisation so that it can claim to be truly representative of hotel employees

The BHRA, which is the main trade association in the industry, is recommended to strengthen its labour relations services and to initiate and stimulate training among its members in personnel and staff management techniques.

Association's view

In a statement last night the association said that as the report showed it had recently brought up to date its current agreement with the GMWU and would soon be discussing the report with the union. The association was planning to expand its advisory service to its members on industrial relations matters.

The statement added: "On the development of voluntary collective bargaining, the association's belief at the moment is that this is best left to individual employers in view of the widely varying conditions in the industry to which the report refers so frequently."

Commission on Industrial Relations Report No. 23, The Hotel and Catering Industry, Part I—Hotels and Restaurants; Cmnd. 4789; SO, 45p.

Talks fail to move Mersey men

By Our Own Correspondent

LIVERPOOL, Oct. 6.

THE unofficial strike of 240 coastal dockers on the Mersey which marred the introduction of the second stage of the Devlin Plan on Monday, now seems likely to go on at least until Friday.

Day-long talks to-day, the third day of the stoppage, between the cargo-handling section of the Mersey Docks and Harbour Co. and the shop stewards, failed to reach a settlement and the men are not meeting again until Friday. To-night the position was described as "fluid and vague."

The dispute, over the interpretation of the pay and productivity plan as it governs the coastal trade, is hitting only one section and although three ships are idle, four other coasters were being fully worked. So were the 55 freighters in the port.

Meanwhile, surplus of labour on the river rose again and, following the afternoon call, a total of 1,750 men had to be sent home. This was 500 more than on Tuesday.

But a spokesman for the Mersey Docks and Harbour Co. was optimistic. He said that the 59 ships being worked in the port during the day showed an upward trend and added: "We are confident that this trend will continue up to the end of the year."

Ship repairs

About 55 men, mostly iron trades, were laid off yesterday at Middle Docks, South Shields, because of a dispute in which 25 burners stopped work. The burners, who are on "lieu" rates, walked out after refusing to work with caulkers who are on piece-work rates and have higher earnings.

Following talks between management and officials of the Boilermakers Amalgamation, the burners will be recommended by their shop stewards to return to work.

Iron workers' pay dispute settled

THE pay dispute of 900 iron workers at Stanton and Staveley, near Ilkeston, in Derbyshire, has been settled. A spokesman for the group, part of the British Steel Corporation, said yesterday that negotiations over the past few days with the General and Municipal Workers' Union, had reached "a satisfactory conclusion."

The men, who were on unofficial strike for 11 days in support of the claim, have now had the offer of £1.25 increased by management to a £2.37½ a week increase.

Fine Tubes strike inquiry opens

THE 16-month strike at Fine Tubes of Plymouth could be settled this week if the employees dismissed after a wages dispute were reinstated, an official of one of the unions involved said in London yesterday at the opening day of the court of inquiry into the dispute.

The official, Mr. Tom Crispin, engineering national secretary of the Transport and General Workers' Union, said that, before the strike began in June last year, negotiations over a pay increase had been going on for nine months. At the end of this time, the procedure laid down had been exhausted.

Prof. Archibald Campbell

Reinstatement

The month after the strike began, the company gave a wage rise to the workers who had remained and to others who had been taken on. There was now no dispute with the company over pay and, if reinstatement could be carried out, the dispute could be settled without further delay.

Mr. Crispin said that the management had refused to discuss the situation and that Mr. Vic Feather, TUC general secretary, had spoken to Fine Tubes' managing director about this but without response.

Mr. Bill John, an executive member of the Amalgamated Union of Engineering Workers engineering section, told the inquiry that failure of the American-owned company to carry out proper management had led to prolonging a dispute which "need never have taken place at all."

"During the 68 weeks of the dispute we have not been able to have any negotiations with a view to resolving the dispute."

Mr. Tom Barclay, managing director of Fine Tubes, said he did not consider the men no longer working for them were on strike. They no longer had an employer. He also denied the dispute was over union recognition.

On June 15 last year, 165 of the 252 hourly-paid workers "upped and departed from the factory," he said. Many returned, but the net loss was 49 employees.

Members

The company had paid a 9 per cent. wage increase so soon after the strike to keep pace with a pay rise at the end of June at the Plymouth Dockyard.

Chairing the inquiry is Professor Archibald Campbell, of Dundee University. The other members of the tribunal are Mr. Sydney Robinson, former general president of the National Union of Boot and Shoe Operatives, and Mr. John Rhodes, former personnel manager (labour) with Imperial Chemical Industries.

Dearer school meals blamed for redundancies

DEARER SCHOOL meals have caused some 890 meals staff to become redundant and caused a loss of almost £1m. a year in wages through reduced hours, according to a nationwide survey by the National Union of Public Employees.

The union said yesterday that 31 of 67 local education authorities surveyed reported reductions in staff. Staff discharged totalled 891, or about 1.3 per cent. of the staff covered by the survey—about 30 per cent. of the total staff in England, Wales and Scotland.

More than half the redundancies—496—were reported from three authorities. One, in Scotland, reduced its staff by 10 per cent. and another, in Northeast England, made a 6 per cent. staff cut-back.

Reduced hours were reported by 53 authorities. The number of staff involved was 8,893, about 13 per cent. of those covered by the survey.

During the survey, the union discovered that many authorities were delaying action until this autumn when it is anticipated that the number of children taking meals will have been stabilised at a new low level.

NUPE is drawing up a report on the situation for use by negotiators in the current claim for a £2 a week increase for local council workers, including school meals service staff.

Teachers' £250 claim explained

By Michael Dixon, Education Correspondent

SCHOOLTEACHERS should be among the country's higher-paid workers, the National Union of Teachers declares in a pamphlet issued yesterday.

The teachers are among the intellectually most able 10 per cent. of the population, and continue studying until they are at least 21, the union says. Yet their incomes are less than many semi-skilled workers and labourers.

The pamphlet, to be distributed to all the NUT's 262,000 serving members, explains why the union's executive is recommending a claim for a £250 flat-rate pay rise for all teachers in England and Wales from April 1 next.

The union claims that the basic starting salary of £1,055 is not proper for a qualified and trained teacher. An additional £250 "would go some way to introducing a fairer level of remuneration."

The basic starting salary compares with an average salary in the teaching profession of around £1,870, which the £250 flat-rate rise would increase to £2,120.

If the proposed £250 figure is approved by a special NUT conference on November 6, it is almost certain to become the official pay claim for schoolteachers in England and Wales next year. The NUT has an absolute majority over all the smaller teachers' unions represented in the Burnham negotiating committee.

Even so, smaller unions are likely to oppose the NUT's recommendation. This is because a flat-rate rise would erode the differential pay-scales for teachers at different levels of responsibility which were introduced this year.

The differential scales, favoured by smaller unions, were introduced after abitration and in spite of the bitter opposition of the NUT.

INTERIM STATEMENTS

MAIL ORDER

FREEMANS (LONDON SW9) LIMITED

Interim consolidated Financial Statement for the 28 weeks ended 14th August, 1971

All figures are subject to the year-end audit

£000's	28 weeks ended 14th August 1971	28 weeks ended 15th August 1970	52 weeks ended 30th January 1971
Turnover	22,876	21,048	42,086
Trading Profit	1,654	1,249	2,858
Interest Payable	253	305	546
Profit before taxation	1,401	944	2,312
Taxation at 40% (42½%)	560	401	910
Profit after taxation	841	543	1,402

By the end of this 28 week period turnover was higher than in the equivalent period last year despite the disruption caused by the 7 week postal strike. The profit before taxation of £1,401,000 is 48.4% above the profit earned in the same period last year. More significantly the rate of profit to turnover of 6.1% not only compares very favourably with the 4.5% shown during the same period last year but approaches the 6.5% of the 24 weeks covering the 1970 Christmas season.

Demand from the Autumn/Winter catalogue so far is well above last year's levels, thus continuing the turnover improvement experienced since conditions returned to normal.

The interim dividend is maintained at 7%. This amounts to £367,500 gross and will be paid, less income tax, on 6th December 1971 to shareholders on the register on 5th November 1971.

6th October 1971

Anthony Rampton
Chairman

Bunzl Pulp & Paper Ltd

Interim Report 1971

On the basis of unaudited figures, results for the half year ended 30th June 1971, and comparative figures for 1970 are

	Six months to 30th June 1971	Six months to 30th June 1970	Year 1970
	£000	£000	£000
urnover	30,142	23,691	57,870
rofit before taxation	2,347	2,307	5,094
hare of associates profits	350	223	441
	2,697	2,530	5,535
axation	1,217	1,246	2,686
rofit after taxation	1,480	1,284	2,849
linority interests	172	154	275
let profit attributable to shareholders	1,308	1,130	2,574

An interim dividend of 2·24p a share has been declared by the directors in respect of the year ending 31st December 1971. It will be paid less income tax on 12th November to shareholders registered at the close of business on 19th October.

It is expected that the results for the second half of 1971 will be approximately the same as for the first half of the year.

NEW SERVICE FOR INSURANCE INDUSTRY

Neptune Group, a service designed to help the British insurance market, was announced yesterday. Neptune, an operationally independent subsidiary of Trident Insurance Company, is a management consultancy formed to meet the need for wider professionalism and breadth of technical services.

KAYE CASTINGS OUTPUT HIT

Production was badly hit at the Kaye Alloy Castings factory at West Bromwich, Staffs., yesterday by a strike by 70 workers over redundancies.

The company had told shop stewards that nine men would have to be sacked—including two of the stewards.

INTERIM STATEMENTS

WEBB-NASH LIMITED

Interim Announcement — 6 Months to 30th June, 1971.

TRADING RESULTS

The Group trading results (unaudited) for the six months ended 30th June 1971, and the comparative figures for the six months ended 30th June 1970 are as follows:—

		1971 £	1970 £
Group Profit before Taxation		23,000	45,400
Deduct Taxation (estimated)		9,500	21,500
Group Profit after Taxation		13,500	23,900
Interim Dividend—7½%	11,250		11,250
Less Waiver	5,625	5,625	
		7,875	12,650

The Interim Dividend will be paid, less tax, on 1st November 1971 to Shareholders registered on 15th October 1971.

CHAIRMAN'S STATEMENT

In common with other companies in the engineering field, the Group encountered very difficult trading conditions during the first six months of this year. No customers have been lost, but there has been a general slowing down of demand and postponement of schedules. These conditions have largely continued into the second half of the year and it is not possible to forecast any substantial improvement during the second six months.

In these circumstances the Directors have decided to maintain the Interim Dividend (and hope to be able to maintain the Final Dividend) at the previous level, and in order to preserve the cash resources of the Group my colleagues and I propose to waive all Dividends in respect of the current financial year on a total of 750,000 Shares. The effect of these waivers is shown above.

A. WEBB,
Chairman.

202 Fazeley Street,
BIRMINGHAM.

THE BRITISH ROLLMAKERS CORPORATION LIMITED

Interim Report for the 25 weeks to 26th June, 1971

1. INTERIM REPORT
In the Roll Division the turnover is up by nearly £350,000 but the trading profit has advanced by only £38,000. This increase in turnover is very largely due to a substantial rise in exports. Comparable sales and profits have been maintained in the third quarter but shrinking order books could affect the final quarter.
The prevailing recession in the tool consuming industries is affecting the Machine Tool Equipment Division in which although turnover increased by £71,000 the profit decreased by £48,000. However £29,000 of this fall consists of a provision in respect of debts incurred during the early part of 1971 by Rolls-Royce Ltd., some part of which may be recovered eventually.
The sharp fall in the figure of interest and sundry income is largely due to the effects of the Postal strike on the cash flow. The situation has righted itself but lower interest rates will have an effect during the remainder of the year.
The long awaited economic recovery has yet to materialise and this factor together with uncertain conditions in the steel and engineering industries combine to make forecasting an unprofitable pursuit.
The Corporation has obtained an option to acquire for cash a major interest in a European Rollmaking Group the price of which interest is likely to be in the region of £2¼ million. The option is valid until 27th November, 1971 by which time it is anticipated that a further announcement will be made.
2. CONSOLIDATED RESULTS
The unaudited results of the Group for the 25 weeks ended 26th June, 1971 and comparative figures for the previous year are:—

	25 weeks to 26th June, 1971 £	*25 weeks to 27th June 1970 £*	*52 weeks to 2nd Jan. 1971 £*
TURNOVER:			
Rollmaking Division	3,778,000	3,431,000	7,382,036
Machine Tool Equipment Division	1,937,000	1,866,000	3,955,416
	5,715,000	5,297,000	11,337,452
TRADING PROFIT:			
Rollmaking Division	483,000	445,000	804,289
Machine Tool Equipment Division	186,000	234,000	529,181
	669,000	679,000	1,333,470
Add Interest and Sundry Income	18,000	45,000	123,500
	687,000	724,000	1,456,970
Deduct Interest payable	10,625	10,625	21,250
PROFIT BEFORE TAX	676,375	713,375	1,435,720
Deduct Estimated Taxation—40%	278,000	325,000	597,556
NET PROFIT	398,375	388,375	838,164
Deduct Minority shareholders' interest	8,000	6,000	3,834
Debenture Redemption Reserve	10,000	10,000	20,000
Preference Dividends	11,815	11,814	23,629
Profit attributable to Ordinary Shareholders of The British Rollmakers Corporation Limited	368,560	360,561	790,701
Depreciation charged in the above accounts	307,000	304,000	600,057

3. ORDINARY DIVIDEND
The Board has declared an Interim Dividend for 1971 of 4½% (1970: 4½%) on the Ordinary Shares, payable on 15th November, 1971 to Shareholders registered in the books of the Corporation on 22nd October, 1971.

SENEGAL

FINANCIAL TIMES SURVEY

BASIC STATISTICS

AREA	77,814 square miles	TRADE (1970)	
POPULATION	3.6m.	Exports	£61.4m
CURRENCY	CFA Franc	Exports to U.K.	£2.1m
	£1=687 Francs	Imports	£78.0m
	$1=277 Francs	Imports from U.K.	£1.5m

An enviable stability

By BRIDGET BLOOM, Africa Correspondent

Of the 15 former French colonies in Africa, Senegal is one of the better known. Dakar, its capital, was once the capital of the French West Africa Federation, the heart and mind, in many ways, of French colonial administration in West Africa. Further back in time, Dakar—or rather the picturesque island of Goree—was well known to traders—and to the slave trade. But for most people in Britain at least, Senegal is still a closed book.

This is a pity, not because Senegal or the other successor states of the French empire afford a great market to Britain. They do not: British exports to Senegal in 1970 amounted to only £1.6m., and the Senegalese themselves, though anxious to increase their non-French ties, would be the first to admit that penetration of their market by countries such as Britain is still very difficult.

Economic links

Some increased economic links between Britain and Senegal are undoubtedly possible, and will presumably become easier once Britain joins the European Community, to which Senegal is associated. But Senegal merits attention for other reasons. Eleven years independent, it has proved one of the most stable of African countries, and this despite recurrent crises. Senegal presents a microcosm of the problems of underdevelopment and something more. For despite a most unfavourable inheritance it has managed, as few states have, to achieve an increasingly meaningful sense of national identity.

This process has not been easy, and it is not yet complete. Senegal, a country the size of England, plus Scotland, achieved its independence in 1960 in crisis. Practical considerations, as much as principle, dictated that Senegal's President, Leopold Senghor, should be a federalist. But when France's eight West African colonies failed to maintain the French-conceived federation (AOF), and Senghor's own attempt to federate with the now independent Republic of Mali also collapsed, Senegal found itself as a comparatively small, certainly poor and very isolated independent state of 4m. people. Gone was the vast hinterland of eight states, 20m. people, and a well integrated economy. Senegal's legacy from the break-up of the AOF was a top heavy and very costly administration, an economy based almost entirely on groundnuts and a highly sophisticated political establishment unwilling but necessarily forced to adjust to the country's reduced circumstances.

The early years were the most difficult. Senegal's independence constitution provided for a dual executive and not surprisingly, within a short time, tensions had developed between Senghor, the President, and his apparently more forceful and radical premier, Mamadou Dia. The crisis came to a head: Dia and a number of his lieutenants were jailed. As the constitution was changed to ensconce Senghor as a fully executive President and as efforts were made to turn Senegal into a one party state, the country, in the early 1960s, seemed set on the course which has so often proved inimical to stability in Africa.

Yet despite recurrent crises and subsequent further changes to the constitution (including a return to the dual executive system) albeit with a new premier, Senegal not only has the same President as it had in 1960 but is arguably one of the freest states in West Africa. Its stability is due in no small measure to its remarkable President, Leopold Senghor.

Well deserved

Senghor's reputation as a poet, is well established and well deserved. His ability as a politician has received less comment but is equally noteworthy. Senghor, the first African to receive the greatly acclaimed French academic honour of *aggregation* is a Catholic in a country which is probably 90 per cent. Moslem; he is an intellectual par excellence in a state whose people are 99 per cent. peasants. Yet these seeming disadvantages he has been able to turn to great account; knowing for example, precisely when to appeal to the Moslem leaders, he has been able to secure their support against his (often Moslem) rivals; and he has never lost sight of the fact that, though the political battles may be fought out in sophisticated Dakar, the campaign is always won in the countryside. Thus in the crucial battle with Dia, a Moslem, Senghor contrived to have the powerful *Marabouts* on his side: and because of his support in the rural areas which is partly dependent on his relations with the *Marabouts* he was able more recently to survive the revolutionary militancy, almost a mirror image of that in France in May, 1968, in Dakar.

Senghor has always preferred persuasion to coercion: the country to-day is almost a one-party State, and if the offer of Government jobs has been important in winning adherents to the Union Progressiste Senegalais, the worst that has happened to most of the prominent adherents of rival parties has been cold shouldering by Government and exile from its patronage. On the positive side, too, Senghor has been extremely concerned to play down religious and tribal differences. He has, of course, been helped by the relative homogeneity of Senegal's peoples: not only are the vast majority Moslem, but, although there are tribal differences, these are very much less acute than in most other African countries, while in Wolof the country has a *lingua franca*.

Senegal then appears to have achieved an enviable degree of political stability. What happens in the future? It would be rash to predict that the performance of the first decade of independence will be repeated in the second, although Senghor, at 65, is fit and well. Mamadou Dia, his old rival, becomes an increasingly doubtful successor, but that Senghor is aware of the succession problem is evident from suggestions that he is grooming his able, if technocratic, Prime Minister, Abdou Diouf, for the role of President. But the future will also depend on social and economic considerations.

As an article elsewhere in this survey makes only too clear, Senegal is endowed with poor economic resources. Efforts to diversify away from the tyranny of the groundnut, have not been successful, while internal marketing and pricing policies (to say nothing of the trend in world markets and prices) have actually resulted in a declining crop and lower revenue. Senegal has still not fully adjusted economically to being an independent state of four and not 20m. people and the bill for administration remains inordinately high. The country receives aid primarily from France, and from the European Community through its Development Fund, but Senghor himself said a few months ago that the aid Senegal received in 1970 only just compensated it for the loss suffered as a result of the deterioration in terms of trade.

There is a good deal that the government itself could do and is not doing: there is room for improvement in marketing groundnuts, for example, and better incentives could be offered to peasant producers. But these, and such schemes as rice growing, while important, are only palliatives. And industrialisation, which has shown considerable growth in the last decade, is certainly not the panacea it was once thought to be.

Regional grouping

It is impossible, in fact, to see the cure for Senegal's problems within the context of the country's present boundaries, and it is partly for this *reason that Senghor is particu*larly keen to see the regional grouping of the states bordering the River Senegal succeed. Unfortunately this group, which includes Mali, Mauritania, and Guinea, has been stultified by the isolationism of Guinea; it does not, at this moment, look particularly promising. The broader West African Regional Economic Group of 14 States is, largely for political reasons, even less hopeful.

Senegal has been able to ride its economic difficulties so far, but like other African countries it too is experiencing the revolution of rising expectations. Dakar, because of its history,

Continued on next page.

President Senghor writes:

More than ten years ago the European Economic Community was born, without Great Britain. More than ten years ago, the old British and French colonies achieved independence gradually and people began to talk of an English-speaking Africa and a French-speaking Africa. This was an unnatural development on both sides and against natural interdependence. But now all that must change.

Senegal, since becoming a State, has always maintained that linguistic barriers are the most artificial of all those which divide our continent and that a link should be established between the countries of West Africa, which are united by a geographic and ethnic bond from Mauritania to the Democratic Republic of the Congo. Senegal has always maintained that Europe would not be complete without the involvement of the U.K. Moreover, Senegal has always maintained that beyond the regional and natural bonds there exists a complementary historical and commercial association, which has developed still further in recent times by what is known as international aid between Europe, the European continent and Africa.

This is why I have always proclaimed the desire of my country to see Great Britain become a member of the European Economic Community as well as the wish of my country to co-operate institutionally with its English-speaking neighbours. This is why all the pupils in our secondary schools learn English; the next generation will therefore have no more difficulty in communicating with a Nigerian or a Ghanaian than a Congolese or a Voltaic, with an Englishman than with a Frenchman.

The enlargement of the Common Market is not without its immediate inconvenience for us; we will have to share certain advantages which we enjoy in our relations with the Six. But our interest in the long-term is in the organisation of a complete and lasting co-operation by providing reciprocal information between our two countries.

This is why I am pleased when I read reports on European countries in our national Press. This is why I am pleased to-day, to see a British newspaper, one for which I have great respect, showing its readers the facts about my country and to have the opportunity to tell our English friends how happy we will be to be able to count them shortly, among our partners in the European Economic Community.

Message du President Senghor:

Il y a un peu plus de dix ans, prenait naissance la Communauté Economique Européene, sans l'Angleterre. Il y a un peu plus de dix ans, les anciennes colonies britanniques et françaises d'Afrique accédaient à l'indépendance, en ordre dispersé, et l'on commençait à parler d'une Afrique anglophone et d'une Afrique francophone. D'un côté comme de l'autre, c'était contraire à la nature des choses, aux solidarités naturelles. Mais voici que tout cela va changer.

Le Sénégal, depuis qu'il est un Etat, a toujours soutenu que les barrièrs linguistiques sont les plus artificielles de celles qui morcèlent notre continent, qu'une structure devait être créée entre les pays d'Afrique Occidentale, unis par une solidarité géographique et ethnique: de la Mauritanie à la République démocratique du Congo. Il a toujours soutenu que l'Europe ne serait elle-même qu'avec la participation du Royaume-Uni. Plus: il a toujours soutenu qu'au-delà des solidarités régionales, naturelles, il existait une solidarité et une complémentarité historiques et commerciales, développées encore ces temps derniers par ce qu'on appelle l'aide internationale, entre l'Europe, la grande Europe, et l'Afrique.

C'est pourquoi j'ai toujours proclamé le désir de mon pays de voir la Grande-Bretagne entrer dans la C.E.E., la volonté de mon pays de coopérer, de façon institutionnelle, avec ses voisins anglophones. C'est pourquoi, concrètement, tous les élèves de notre enseignement secondaire apprennent l'anglais: ainsi, la génération qui monte n'aura pas plus de difficultés à s'entendre avec un Nigérian ou un Ghanéen qu'avec un Congolais ou un Voltaïque, avec un Anglais qu'avec un Français.

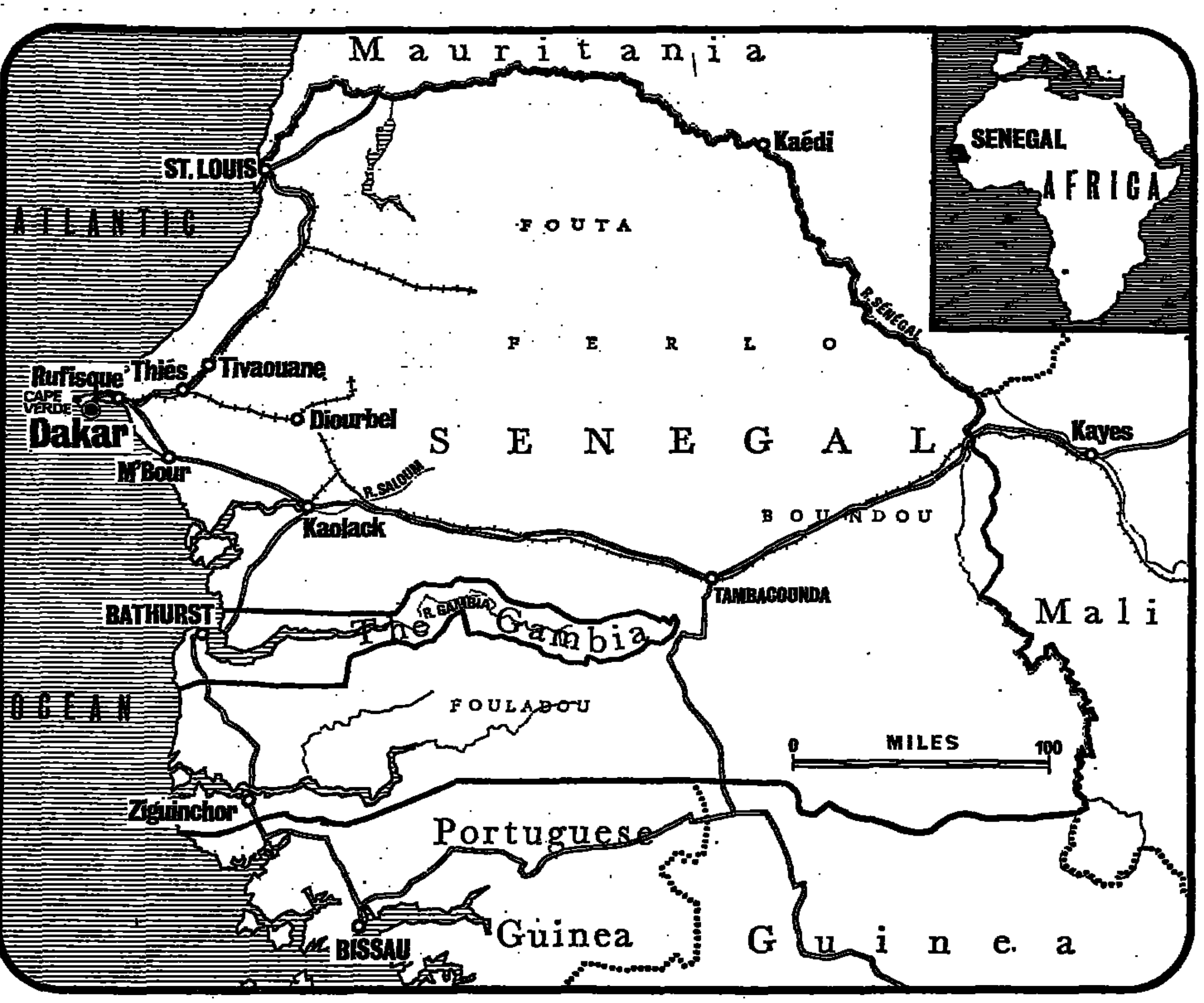
L'élargissement du Marché Common Européen n'est pas, pour nous, sans inconvénients immédiats: nous allons devoir partager certains avantages dont nous jouissons dans nos relations avec les "Six." Mais notre intérêt, à long terme, est dans l'organisation d'une coopération durable entre nos deux continents, sans exclusive. Et cette coopération passe par une information réciproque: nous devons apprendre à mieux nous connaître.

Voilà pourquoi je me réjouis quand je lis, dans notre presse nationale, des reportages sur des pays européens. Voilà pourquoi je me réjouis, aujourd'hui, de voir un journal britannique, pour lequel j'ai beaucoup d'estime, exposer à ses lecteurs les réalités de mon pays et me donner l'occasion de dire à nos amis anglais combien nous sommes heureux de les compter, bientôt, parmi nos partenaires de la Communauté Economique Européenne.

SENEGAL II

Economy must diversify to solve present crisis

By PAUL LEWIS



"La tryannie de l'arachide" is the phrase that always crops up when the Senegalese economy is discussed. And as the world's second largest exporter of groundnuts, Senegal has found its dependence on this oil bearing seed little short of an economic nightmare. Not all of its difficulties are of its own making, however, and it can with some justice claim to have been often more sinned against than sinning.

Since the French came to this part of West Africa in the last century, the groundnut crop has been the backbone of the Senegalese economy (at least once slavery had been abolished). In 1895 some 65,000 tons were harvested while a peak in output was probably reached in 1967 with a crop of over 1m. tons. Even though output has declined since then Senegal's own dependence on the crop in export terms has not greatly altered and groundnuts still account for around 70 per cent. of foreign revenue.

Steady decline

The simplest way to illlustrate the financial crisis that has plagued Senegal in recent years is to look at the movement of the world market price for groundnuts which showed a steady decline between 1962 and 1965, reversed itself the following two years but has since followed an erratic course. As a result of the country's high dependence on this crop the trend of its terms of trade has been roughly similar, with the last decade showing an overall decline in the purchasing power of Senegalese exports.

It is worth pointing out that the very sharp downward movement in both the price index and the terms of trade around 1968 reflected the withdrawal of the preferential marketing arrangements previously provided by France, under the terms of the Common Market aid agreement. Sales to France have decreased substantially since and the country has become even more dependent on the free world market. Moreover, the ending of the Franc Area preference system coincided with a 12 per cent. rise in import costs that cut Senegal's buying power by nearly one quarter in a single year, through little fault of its own.

How the groundnut market will develop in the future remains anyone's guess. But it is not surprising that the French Government tends to use the plight of Senegal as a textbook illustration of its case for supplementing the world aid effort by fixing commodity prices at an artificially high level. It was certainly no accident that President Pompidou chose the National Assembly at Dakar to renew his appeal for international agreements of this kind during his West African tour at the beginning of this year.

In domestic terms the weakness of the world market has only aggravated the Government's problems in dealing with its producers and accentuated the fall in output. At present, the marketing of the crop is largely entrusted to State corporations (as a rather theoretical concession to socialism) which have proved inefficient, corrupt and overbureaucratic. They pay the farmer a lower price than available elsewhere in Africa and part of it is given in promissary notes of uncertain value.

The result has been for the peasants to move out of the cash crop economy altogether and return to subsistence farming, reducing each year their groundnut plantings. This has led to a natural decline in output which has been aggravated by a growing temptation to smuggle what crop they have out into the Gambia, where prices are better. Finally, matters have been further complicated by a series of exceptional droughts in the growing regions.

Crop size

For the country as a whole this has meant an increasing payments problem and heavy reliance on foreign assistance. The overall trade balance has been in deficit for quite a number of years now; but 1969 saw the deficit reach an all-time record of Frs. 387m., following an overall decline in export value of 14 per cent. which went very much higher in certain sectors. Sales of groundnut oil, for instance, dropped 31 per cent. in value and 41 per cent. in terms of quantity.

But another consequence of the groundnut crisis in the last couple of years has been to induce a more general recession in the economy as a whole. After growing fairly steadily since 1959 (apart from a slip back in 1967) the Senegalese gross national product began to contract in 1969 with a fall of 4.9 per cent. This was largely the result of the downturn in agricultural output which also had its effect on the groundnut processing industry. As regards the size of the crop itself, 1969 saw a 25 per cent. fall to about 800,000 tons while production last year was little more than half a million tons, although the plan calls for a figure over twice as high.

In budgetary terms Senegal just manages to cover its current expenditures from its own revenue which is not at all easy for as the former capital of all French West Africa it has been left with a top heavy administrative structure while, so far as one can judge, the Government takes particular pains to ensure that the army and the police are well looked after. Senegal is dependent on France and the surplus members of the Franc Area for the financing of its payments deficit and on foreign aid donors for development capital.

Apart from asking for a better deal from its trading partners, Senegal has made a number of attempts to improve its situation, promising to reform the groundnut marketing Boards and devoting some 30 per cent. of Plan credits to the modernisation of this sector. It is also trying to diversify its economy away from the groundnut both by developing an indigenous industrial capacity and by seeking other agricultural products.

Apart from the tyrannous oil seed, the country's largest industry is the phosphate mine at Taiba, which produced 1m. tons of concentrate ore in 1969 making it the second export earner, despite growing competition on world markets.

In the agricultural sector, diversification is still in its infancy, with projects for sugar, tomato and rice production on an industrial scale. However, a cotton scheme started in 1963 had an output of about 11,000 tons last year.

As regards industry, the picture is rather more complicated. In a sense, Senegal already has a relatively important industrial sector mostly concentrated in the Cape Verde area to profit from the excellent port facilities at Dakar. Indeed, while agriculture accounts for some 32 per cent. of gross national product, industry's share is already 24 per cent., and the country has received a good slice of foreign (mostly French) investment.

However, much of the existing industrial structure is concerned with groundnut processing and has tended to suffer along with the agricultural economy. For example, the 1969 figures reveal a fall of 20 per cent. in this sector's contribution to the gross national product, while the tough conditions prevailing on the world phosphate market have had a similar though less marked effect on the ore-treating plants.

On the other hand some of the smaller enterprises in other sectors have been doing much better, expanding both output and exports. Textiles, leather, animal foodstuffs and, above all, processed fish are all cases in point. However, the problem here—as, indeed, elsewhere in developing Africa—is whether industrial processing plants of this kind do not in the end generate more imports than they can offset by their foreign sales with the result that their growth is eventually halted by a payments crisis for the country as a whole.

Foreign exchange

This is the thesis developed by the distinguished Senegalese economist Samir Amin in connection with the Ivory Coast; although he has now applied it to his own country as well. Whatever its intrinsic merits, the least one can say is that growth is bound to be difficult in a country so short of foreign exchange and that the latest Franc Area report shows that much of the 15 per cent. rise in imports in 1969 was the result of machinery purchases.

Looking further ahead, Senegal has placed many of its hopes on the development of the Senegal river basin in collaboration with the other adjacent states, Mauritania, Mali and Guinea. Together they have set up a promising-looking regional development organisation known as the Organisation of the Senegal River States which has now prepared plans with U.N. help for the damming of the river at Mantuli to provide electric power for local industry, better irrigation and an outlet to the sea for Mali.

In time there are hopes that the member countries may form an integrated economic unit with common customs barriers, a single currency and a number of other shared institutions. However, the immediate outlook has been soured by the political breach between Guinea and Senegal. It remains to be seen whether the reconciliation mission approved by the OAU Heads of States conference in Addis Ababa last June will be able to heal the breach and get the project off the ground again.

Stability—(Cont'd)

Continued from previous page

may be more sophisticated than the majority of African [illegible] and its students, for example, as much in touch with their counterparts in France as with the peasants in the Senegalese outback. But their [illegible] since 1968, is undoubtedly symptomatic of a wider malaise. Its causes will increasingly demand attention.

Luckily for its leadership, for the time being the country's foreign policies seem to meet with the approval of the educated elite. Senegal's role on the African scene has in general been moderate and constructive. While French influence remains strong (and a detachment of 2,000 French troops, possibly ready to intervene should the occasion arise on the Government's behalf, remain in Dakar) Senegal has not followed a particularly French line. The most obvious example of this was its support for Nigeria in the civil war; more important for the future is its support for wider regional economic groupings. The Government is broadly opposed to dialogue with South Africa, and maintains an implacable opposition to the colonialism of the Portuguese from which it has, as the Security Council mission reported last month, suffered directly.

Growing habit

Senegal has lived quietly, but on the whole successfully, for its 11 years of independence and the country's growing habit of stability should help to tide it over the undoubtedly difficult years to come. But it is no accident that President Senghor, in the last few years, has become one of the spokesmen for the underdeveloped world: with its economic legacy Senegal understands the dilemma of development only too well. The debate about the need to bridge the gap between the world's rich and poor countries continues: this survey includes quite enough information to show that, unless more meaningful solutions to it and the problems can be found, hard won progress in countries like Senegal are likely to count for nothing.

A RICH FIELD FOR THE FOREIGN INVESTOR

Industrialised agricultural production - cattle ranches - fishing - tourism - export industries - small and medium-sized concerns.

by ABDOU DIAF Prime Minister

Although Senegal now possesses a fairly well developed industrial infrastructure, the rural sector still occupies the most important position in the country's economy. It is for this reason that economic development has been concentrated on the agricultural, fishery and stock-rearing industries.

However, it is important to stress that under the current Economic Plan, the share in total economic activity of these industries will not be increased. On the contrary, the Plan aims at modernising the rural sector, which barely felt the influence of industrialisation and modern technology during the colonial period.

Modernisation in this sector will not only increase productivity of workers on the land, and in the fishing industry, but it will aid the development of a more diversified industrial sector.

Senegalese industry must in fact be based on the transformation of agricultural and sea resources, which in turn will lead to the constitution of an important domestic market for Senegalese products among the rural population.

Growth in agriculture, stock rearing and fishing is therefore of primary importance for the development of industry and other economic activities.

The Senegalese Government is relying on the private sector and on private foreign capital to modernise the primary products sector and enable industrial development to commence.

The Country's economy offers a wide variety of opportunities for intervention and investment by foreign private investors.

THE AGRICULTURAL SECTOR:

The Government plans to create a new industry based on agricultural products—once the sector is effectively modernised—and plans to cultivate sugar cane, tomatoes, market-gardening produce etc.

Senegal has an abundant supply of land that could be turned over to this kind of production and private concerns have already begun large-scale sugar-cane and tomato cultivation. The government believes that improvements in production and processing of market garden produce would permit a very sizeable increase in production and a wide degree of diversification into cultivation of other vegetables.

Large development plans are also projected for stock-rearing in Senegal. The country's livestock—which is plentiful—has until now been unexploited, but current government action—which includes hay-making and foraging projects as well as an increase in the number of waterholes—will aid stock breeders and at the same time help to settle the pastoral population, which is still very largely nomadic.

Large ranches are planned to rationalise stock-rearing and breeding.

THE FISHING INDUSTRY:

The Government is anxious to develop the country's sea resources, since this will call for creation of a processing industry, which will employ large quantities of labour.

Consequently the Government is waging a large campaign to improve the organisation, framework and equipment of the traditional fishing industry. Industrial fishing will also be developed through construction of fishing ports and of stocking facilities.

The extraordinarily rapid growth in the fishing industry over the last few years points to an increasingly important role for this sector in the national economy. The richness of sea resources along Africa's West coast and the size of the markets for sea produce in Africa, Europe and America, as well as Senegal's geographically favourable position, all combine to justify investment in large industrial plant for this sector.

The fishing industry is therefore one of the most promising areas for foreign investment.

MARKETS FOR SENEGALESE PRODUCTS AND THE LABOUR SUPPLY:

It is important to understand that the development of agriculture, fishing and stock-rearing is not dependent on a national market for these products. Current economic trends on the world market suggest that such products would easily find markets outside Senegal.

In addition, the domestic market—developing at a steady rate—should not be underestimated. The range of consumer goods currently being imported into the country shows that the home market is far from negligible. Certainly with imagination and initiative private investors—whether Senegalese or foreign—would have ample scope for setting up small- and medium-sized concerns oriented towards the domestic market.

Senegal also offers exceptional opportunities to investors in the heavy industry sector. The Senegalese investment code particularly favours export industries, but all foreign firms would benefit from the advantages of a cheap and plentiful labour supply—easily adaptable and already used to industrial work—and the geographical advantages of Senegal's position on the African continent, as well as the location of Dakar itself.

European and American investors will find the country a perfect choice, if they are looking for a large labour supply not too far from headquarters in their home countries.

OIL, MINERALS AND TOURISM:

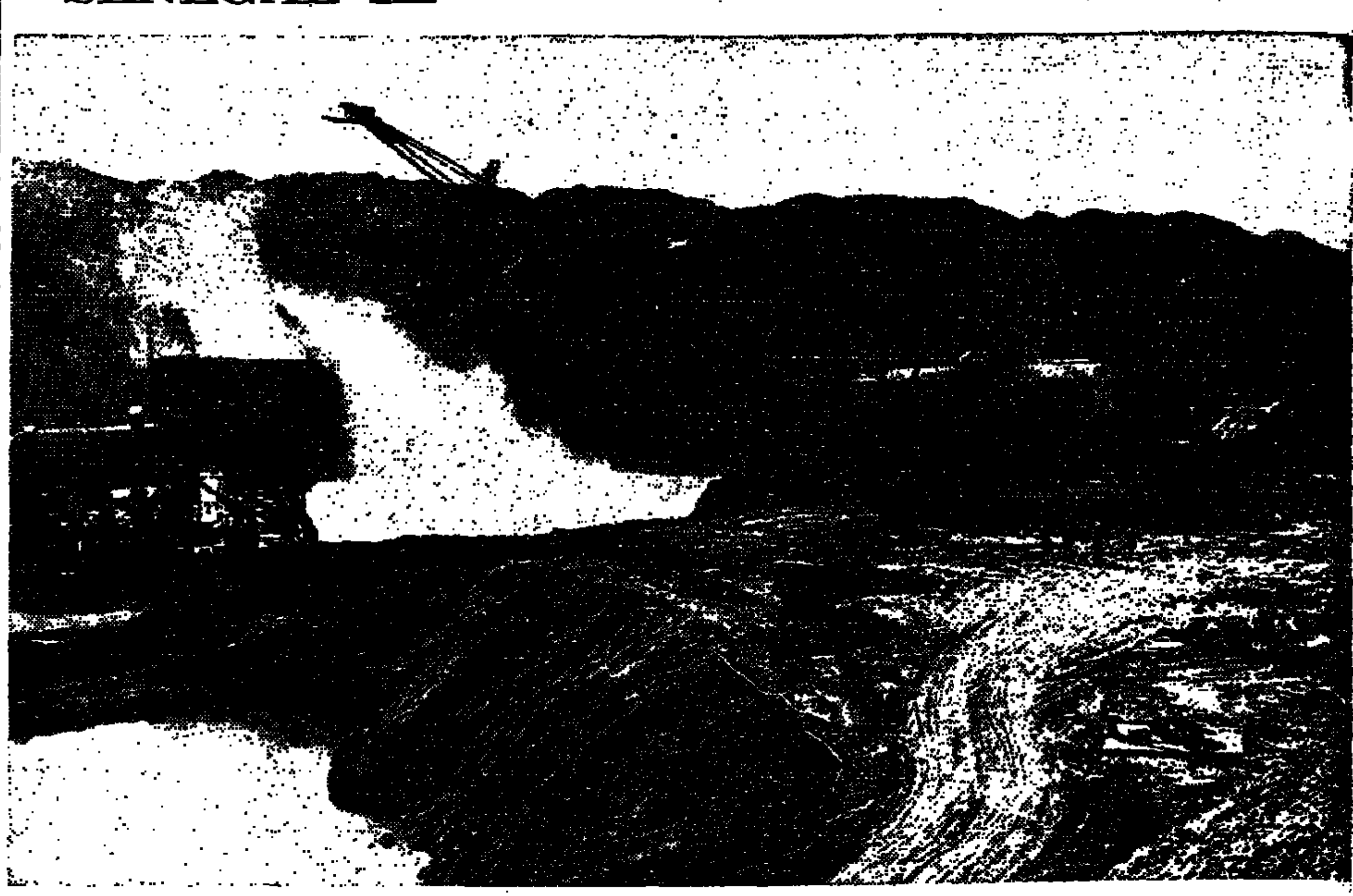
Exploration of Senegal's oil and mineral resources currently in progress is extremely promising. An oil find has been made off the southern coast and copper has been found in the eastern part of the country. Further borings are being made to determine the commercial value of the finds and it is reasonable to hope that deposits of iron ore, gold and diamonds may be discovered.

Before winding up this rapid glance at Senegal's development possibilities, we should mention the hopes we place in the tourism industry. Senegal can boast beaches, sunshine all the year round and a pleasant climate during the European winter season. In addition, North America and Europe are only six hours away by air, and the country offers tourists a complete range of Africa's attractions.

The combination of our own resources and the rapid development of tourism across the world has encouraged the Government to make a special effort to promote development in this sector by foreign investors, who can also benefit from special investment conditions.

We sincerely hope that private foreign capital will help us set up adequate tourist facilities and help to promote Senegal as a tourist centre for both Europeans and Americans.

This brief account of opportunities for foreign investors in Senegal has attempted to show how ready the country is to welcome investors in all sectors of the national economy. The economic climate favours development by private enterprise and foreign investors can benefit from the many fiscal and customs advantages outlined in the investment code, which is one of the most liberal to be found on the continent of Africa.



Phosphate workings at Taiba.

Politics: a large head on a tiny body

By KAYE WHITEMAN

Politics in Senegal have been exceptional in French-speaking black Africa, mostly because in Senegal there has been a high degree of political awareness which has existed for a very long time. The links with France are the oldest in Africa: the port of St. Louis was founded in 1659, and it was from St. Louis that a *cahier* of grievances was sent to the States General in 1789. The 19th Century saw the establishment of the famous four communes of Senegal, whose citizens had special status and eventually votes, although it was not until 1914 that a Senegalese, Blaise Diagne, was elected to the French Chamber of Deputies. Of the French African territories, Senegal was where French-style education made its earliest strides, and this primacy was reinforced by the role of its capital, Dakar, in the first 60 years of this century, as the capital of the French West African Federation (the AOF).

Thus, when in 1960 the AOF was "balkanised," and Senegal became an independent republic on its own, cutting the hinterland of Dakar from 20m. people to 3m., the effect was traumatic. One writer has compared it to Austria in the 1920s, the over-large head with a tiny body under it, and like Austria, Senegal has had corresponding difficulty in adapting. Like Austria in the 1920s, too, Senegal's situation has sometimes seemed to be "always critical, but never serious."

For, although since independence there has sometimes seemed to be crisis after crisis, nevertheless continuity has been preserved, and with the continuity has gone the hope that adjustments to independence may yet be made, and that the Senegalese may realise that they cannot live by history alone.

Mali Federation

Senegal was "born" in the middle of a full-scale crisis, for it started its independent life in June 1960 as part of the Mali Federation, with the then French Soudan: the arrangement to balance power between the two leaders, Leopold Senghor and Modibo Keita, proved unworkable; the Senegalese suspected that the Soudanese were out to take over Senegal; and thus Senegal seceded from the federation, arrested Modibo Keita and sent him back home to Banako. There was a further political crisis in December, 1962, when President Senghor clashed with his Prime Minister Mamadou Dia, and Dia tried to seize power, using the army. Dia's apologists would simply say he was trying to preserve his constitutional position; but in the power struggle that ensued, Senghor seemed to have all the cards, including the vital support of the paratroops, as well as discreet backing from the French.

Dia was tried for treason and sent to jail in Eastern Senegal, where he still remains, still refusing to be reconciled on Senghor's terms, which are the only ones available. Some still see him as an alternative to Senghor, believing that his ascetic, more militantly socialistic policies are what Senegal needs. But as a man of the older generation, who had been Senghor's closest political companion, it may be doubted whether, if Dia were able to bid for the leadership there would be much communication between him and the more explosive elements of the younger generation, who have for the moment adopted him as a martyred hero. This younger generation, most vocal at Dakar University, first found expression in the students' strike of 1966, even as the remnants of the opposition were progressively being assimilated into Senghor's ruling party. But it was in 1968 that they first made their presence seriously felt.

Student strike

Then, almost in mirror image of the student-worker troubles of the famous "May" in Paris, Senegal experienced a student strike which flared into a general strike with the trade unions participating—a combination which has brought governments down in other African countries. In Senegal, however, with the backing of the army (and of the French military presence in Dakar) and Senghor's own retention of nerve, even though many of his colleagues failed him, the regime survived. An adroitly timed tough but conciliatory broadcast, with a Gaullist-style demonstration of peasants brought in from the countryside to stage a loyalist demonstration, saved the day for the President. A new deal, with university reforms, wage increases and better conditions for workers, again very much on French lines, was agreed on. There was some repetition of these troubles in May and June two years ago, but this time the Government was in a stronger position, and the lack of student-worker co-ordination meant that the students were first held at bay, and the workers were split, with the militants isolated. While 1970 was comparatively quiet, there were new student troubles this year in Dakar, but the authorities resorted to similar policies of trying to isolate the militants (who have since been sent to the army).

All these crises illustrate the remarkable powers of survival of the man who has dominated politics in Senegal ever since their introduction, Leopold Senghor. An accomplished poet and academic in Paris in the 1930s, and a German prisoner of war in the early 1940s, with the great political awakening in black Africa which the second world war brought he was inevitably drawn into politics. He increasingly started devoting his talents to political speeches and formulation of political ideas. Elected deputy for Senegal to the French Constituent Assembly in 1945, he played an important part in framing the new constitution which gave to each territory in French West Africa its own Assembly and an increased number of deputies in the French Parliament.

Although a champion of African rights he was a great Fabian advocating at that stage a gradualist approach on the subject of independence, concentrating first of all on building up African political awareness. To that end he broke with the French socialists, with whom he had been allied, at the same time breaking with his political colleague in Senegal, Lamine Gueye, the political boss of Dakar. This was the making of Senghor in Senegalese politics, for with his rejection of metropolitan links, and above all his realisation that the future lay with those who concentrated on seeking support in rural areas, he was able to sweep the floor in the 1951 elections. Thus the paradoxical formula of the Christian philosopher-intellectual depending for political support from the largely Moslem peasantry of Senegal against the elite of the towns, came into being. It is this formula which has helped keep Senghor in power ever since, and which was able to help him win that most difficult political battle of 1968. The more pretentious the elite, in fact, the easier it is to stir up rural hostility to it, and this Senghor, by a remarkable political agility, has been able to do without totally alienating that elite. All commentators agree that Senghor has used the fact that he is not a Moslem to maximum advantage; to rule Senegal from one of the Islamic brotherhoods would probably be more difficult. Senghor, as a Catholic, however, has a certain detachment which has enabled him to retain the confidence of all the religious leaders (the *marabouts*), especially the powerful Khalif-General of the Mourides, an indigenous brotherhood with strong sway in its groundnut producing areas. It was Modibo Keita's visit to the Khalif-General that really aroused Senghor's suspicions in 1960, and one of Mamadou Dia's cardinal errors was to have a public brush with the Khalif-General, who disapproved of the Premier's *animation rurale*, which the *marabouts* felt was undermining their own power with the peasants. A broadcast of support from the Khalif was one of Senghor's trump cards in the 1968 crisis, and it is said that one of the Government's concerns over the current peasant malaise is that the *marabouts* seem indifferent at the very least to the farmers' recent preference for food crops like millet rather than the groundnuts for export, which the authorities want them to grow.

The secret of Senghor's durability, then, is primarily his acute awareness of the bases of power in Senegal—his appreciation of the importance of the peasantry (even if this often means an appreciation of the power of the *marabouts* and an acceptance of the rural status quo) and his calculation that the urban elites are too taken up with new bourgeois values to be really revolutionary, so that in the last analysis they can be broken. Of course within his own terms of reference Senghor knows that the French factor is also important, especially as there is a base of 2,000 French troops in Dakar as well as French technical advisers in the Senegal army. But it would be a mistake to regard Senghor as simply maintained in power by the French, for had he not amply demonstrated his political artistry he might well have gone the way of the Abbé Fulbert Youlou in Brazzaville.

Certain ideology

Not that Senghor is simply a political operator: he has always tried to clothe his politics in a certain ideology, relating them to culture through the doctrine of *negritude*, and using such concepts as African socialism. His critics accuse him of mystification and trying to be all things to all men, and it is true that as a politician he has been adaptable. Just as in the 1950s he bowed to the increasing pressures for independence, so in the 1960s, faced with pressures from the younger generation, he restructured the Presidential constitution he had introduced in 1963 after the fall of Dia, and reintroduced a Prime Minister. For this post he chose a bright technocrat of 35, Abdou Diouf, who although he has not yet developed the weight to look like convincing successor to Senghor, has nevertheless brought some new blood and new ideas into the Government.

Senghor has publicly expressed his desire for a "poetic retirement" in a few years' time, and it would be an achievement of some note if he were able to do it successfully, making that permanent place as a founding father and national leader through a difficult period which he so clearly deserves, more likely to be secure for subsequent generations. For, although history may have deprived him of the larger role he had hoped he could play had the AOF stayed in existence, his work for the propagation of African culture has been considerable, and even his critics acknowledge that in this field his tireless endeavours have had considerable impact and are the real basis of his claim to rank among the African immortals.

A Koran student in the mosque at Dakar.

SENEGAL IV

Interesting mix of French and African cultures

KAYE WHITEMAN

President Senghor, with his chant for wordspinning mely Negritude, Berberi-Arabité, Francité), has ed it Senegalité, that is, the of being Senegalese. He speaking in the Casamance a during one of his visits to negal's southern province, ich is cut off from the rest the country by the long strip The Gambia. The Casamance ople are the only people in negal whose Senegalité has r been in doubt, although nghor was expressing his conence that even as Casamanse, they were also Senegalese. r the remarkable phenomon which will strike any itor is the homogeneity of Senegalese compared with inhabitants of most other rican countries.

Many writers have remarked the genuine absence of corroe tribal rivalries among the negalese. Although different nic groups exist—the Toucouleur, the Serer, the Wolof the Peulh—they all have a ilar social and political ganisation, and have the furr unifying bond of a common igion, Islam (more than 90 cent. of Senegalese are slem) and a lingua franca, lof, now spoken by most negalese, especially in the ns. There is also a unimity of African dress, both men and women, and of sine, which has further ped a high incidence of interrriage between ethnic ups. Cultural differences and er rivalries which in the past y have been important, now d to be worked out at the stling bouts which qualify Senegal's national sport. Ind, anyone in search of the egalese personality probably d go no further than a visit he arenas at Fass, in Dakar, week-end; here there is al, style, rhythm and theatre abundance—the most posi demonstration of the virs of Senghorean négritude t one could imagine. Yet egalese wrestling is still ngely undersold as a tourist action.

Wrestling arenas

visit to the wrestling as, too, would convince body that the Senegalese not and should not be racterised as black French. It is true the French nection has been very long very close, and the Senese have been the archmiles. The African pages icted by Watteau in the 18th tury were Senegalese, and e Senegalese have been g to France to be educated a much longer time than other people from France's er African colonies. The lleurs Sengalaises reted by the famous 19thury governor Faidherbe ed build up the romantic of the Senegalese in ch eyes, although the fact many of them were emed to further France's nial conquests may have the beginnings of the poor ge that these soldiers—and e the Senegalese in general ve often had in other African countries. In fact, the tirailleurs were more often recruited Mali and Upper Volta, to the French all Africans become Senegalese. The ive recruitment of African ers in World War I helped up their mystique, and entimental way the French about them (well they t when one thinks of how y must have died uselessly France in the trenches). k and beautiful, Senegalese ers in their red tarbooshes e in the literature of st, Gide, and Cocteau (who adored them), and in a less flattering way Frantz Fanon has shown how deep the image of the Senegalese has burnt itself into the French psyche. The French, then, accustomed the Senegalese themselves into thinking of themselves as Senegalese. The large numbers of expatriate Senegalese in trade, particularly goldsmiths and silversmiths, to be found all over West Africa as far as the Congo, have also encouraged a corporate feeling.

Privileged status

All of them, too, tended to feel proud of Senegal's role as a colony which enjoyed a privileged status. This is a feeling which lingers on, among contemporary Senegalese and it is something which President Senghor has tried to convert from a more directly political feeling of superiority into more cultural channels. Some may have reservations that a poor country like Senegal should bother to spend money on cultural activities such as the setting up of a Government tapestry works, the building of a national theatre, or the holding of the First World Festival of Negro Arts in 1966. But, as mentioned in the article above, the cultural orientation of the Senegalese personality is likely to be one of President Senghor's most lasting contributions.

To some extent the culture was there already. The importance of culture is, of course, something that the French themselves are prone to stress, and the emphasis on its importance was readily taken up by the Senegalese, especially after Senghor and Alioune Diop, the Senegalese founder and editor of the seminal magazine *Presence Africaine*, has helped point the way to the myriad assets of African culture.

Even Senghor's opponents in Senegal admire him for his cultural prestige, and for the fact that he was the first African ever to achieve the high academic honour in France of *aggrégation*. It is said that his distinction in France, and the fact that he trod where no African had been before in Paris, was even an electoral asset with the Senegalese peasants, if only because it was felt that he knew, in those early and difficult days, how to talk to the French. Likewise, the opposition to Senghor includes men like Cheikh Anta Diop, a historian of note. With the Senghor precedent, many aspiring Senegalese politicians have become authors, such as the President of the National Assembly Cissé Dia, who is a playwright. The encouragement of young artists and writers has made Dakar a centre of patronage of the arts: nowhere else in Africa can you find so many young men who describe themselves as *cinéastes*, perhaps in emulation of Senegal's most famous writer Sembene Ousmane who has turned successfully to making films, the Wolof versions of which have been very popular in Senegal.

The cultural element has given an added, attractive dimension to Dakar, which is probably the most cosmopolitan city in West Africa. Its main problem is that it is perhaps too big, too beautiful and sophisticated to be capital of a small poor country, and some of its most ardent devotees feel that one day it may fall; but it still basks in its reputation of being a West African Athens. The university, in spite of its three years of turbulence, is still a stimulating environment.

Although Senegal is virtually a *de facto* one-party State, and there is one Government-controlled daily newspaper, there is much more freedom of speech than in any other francophone country. Foreign journalists are allowed a great measure of latitude, and the Senegalese are very open in their opinions, especially when they are critical of their own Government. This has sometimes led visitors into believing that revolution is just around the corner, especially if they come into contact with students and read some of their more militant tracts, which for the most part are allowed to circulate quite freely. But to-day's militant students are to-morrow's civil servants, and the present Minister of Information, for example, has a very respectable record of past left-wing militancy in both Paris and Senegal.

Similar feelings

There is also a degree of sophistication about the Senegalese that reinforces their belief in their own superiority. This is perhaps what draws them to the French who have similar feelings about themselves, and why *tout-Dakar* tries to be as restlessly up to the minute as *tout-Paris*. Likewise, the French and Senegalese share an absorption with style, and it must be said that the Senegalese style, especially in appearance (both men and women will think nothing of spending a large portion of their income on clothes), is an essential and extremely attractive aspect of *Senegalité*.

All of which still builds up only a partial idea of the Senegalese personality. Certainly most Senegalese would warm to the idea that such a thing exists, which perhaps tells you something about it. There are, in truth, two Senegals—that urban milieu of Dakar and historic St. Louis, the Senegal of the *elite*; and the Senegal of the peasant and fishermen, where the follies of the town are deplored. It was humorously suggested to me on my last visit that one solution to Senegal's problems would be to sell Dakar to the French, much as the Indians once sold New Amsterdam to the Dutch, and what would be left would be the real Senegal, which could be a perfectly workable entity. Many of the characteristics of *Senegalité* I have outlined probably belong more to the elite, but there is a certain unity, a universality even, whether it is a Wolof woman in grand boubou in full sail, a Sembène Ousmane film, or a pair of Serer wrestlers prowling around a dusty arena. This makes Senegal much, much more than a flag, an entry in a year book or a name on the map.

Too dependent on groundnuts

By GODFREY BROWN

Senegal is desperately dependent on its groundnut crop to bring in vital export earnings, but the world is not as desperately dependent on Senegal for its essential oilseed supplies. This, in a nutshell, so to speak, is the economic cross that Senegal has to bear. It is a familiar picture in many developing countries, but is thrown into particularly sharp focus in Senegal because of its almost total reliance on the one cash crop.

To the outsider, groundnuts may be peanuts, but not in Senegal. For a start, the crop pulls in around three-quarters of the country's total export earnings; for another, it is responsible for about two-thirds of the country's cash agricultural income. And it also provides a livelihood for something like 2½m. of the country's near 4m. population.

Groundnuts were introduced into Senegal by the French in the middle of the last century to satisfy Europe's growing demand for vegetable oil, and they have been the mainstay of the country's economy since the beginning of this century. They now cover well over 2½m. acres, half the country's cultivated area.

Exporting producer

Although its output is small by comparison with India, China and the U.S., these countries tend to retain the bulk of their groundnut production for internal consumption. As an exporting producer, Senegal is one of the most important, although the bulk of its production has traditionally gone to one market—France—where until the last few years it received preferentially high prices.

Groundnuts are among the world's most important oilseeds, having a relatively high oil content, which means they provide about a fifth of all edible oil supplies. Groundnut oil can be used in margarine and compound cooking fat, and is often used directly as a cooking or salad oil.

The great handicap for any edible oil-producing country is that the oils are to a very great extent interchangeable depending on the relative prices. So that Senegal's groundnuts have to compete not just against groundnuts produced in other countries, but against a wide range of other edible oils, particularly soyabean oil produced largely in the U.S., and sunflower seed oil from mainly the Soviet Union and Romania, as well as palm oil and even fish oil. The prices Senegal can obtain for its crop therefore depend to a very great extent on world oil market factors completely outside its own control.

The last two years or so have seen an acute world shortage of edible oils, and prices have soared in consequence. Unfortunately for Senegal, its own groundnut output was much reduced—along with that of its West African neighbours like Nigeria, which are also important world suppliers of groundnuts—so that it could not really cash in on the price boom.

Edible oil prices are easing back now, but are still high historically. In the near term, the future level of prices will depend very largely on the forthcoming West African groundnut crops, including that in Senegal. The general expectations are of very good crops, provided weather conditions remain favourable. Senegal is looking for a harvest in the region of 800,000 to 850,000 tons unshelled, compared with a commercial crop (that is, excluding the "subsistence" crop) in 1970-71 of only 440,000 tons unshelled, the smallest since 1954-55.

Last season's very small crop was due mainly to adverse weather conditions which were general throughout the West African producing area. But production has been on a downtrend for the past few years, following the ending of the preferential high prices on the French market. These had been maintained from independence in 1960 up to 1963-64, when they were gradually reduced and abolished in 1967-68.

With this prop gone, producer prices had to come into line with world market values, which meant a progressive reduction. This was aggravated when part of the producer price was withheld pending a check on groundnut quality and an examination of marketing co-operative debts (the groundnuts are marketed through State co-operatives which have been widely accused of inefficiency and even corruption).

Average price

The net result was that in the 1967-68 and 1968-69 seasons, the average price actually paid to producers was only about 96 per cent. of the official price. To make matters worse, a system was introduced whereby farmers were paid promissory notes instead of cash: cash payments were made several months later after accounts of the marketing co-operatives were verified. This, plus higher prices in neighbouring Gambia, led to the smuggling into that country of substantial quantities of Senegal groundnuts.

With lower prices, not all of which was paid, payment by promissory notes which farmers needing cash had to trade at a loss, not to mention an increase in fertiliser prices, which meant a substantial reduction in usage, it was not surprising that many farmers dropped out of cash cropping of groundnuts and went back to growing food crops for their own use, and groundnut production fell back.

The Government evidently saw the danger signal, and to increase incentives to producers brought back cash payments instead of the unpopular promissory notes during the 1969-70 season, while the 1970-71 season saw the first increase in producer prices for several years, and steps taken to improve the efficiency of the marketing set-up. Other measures to stimulate production were announced earlier this year, including a further increase in producer prices. It seems they have led to increased plantings and, according to some reports from the country, growers seem to be making serious efforts to improve their crop husbandry. It is hoped that measures will also put an end to smuggling groundnuts out of the country.

This year for the first time too, Senegal hopes to be able to crush its entire groundnut crop, and export the resulting oil and cake, rather than export the nuts for crushing abroad. It not only provides local employment, but also a higher value export product. Crushing facilities have been extended, but even so there are doubts whether Senegal has sufficient capacity to process the whole of its crop if it turns out as large as currently forecast.

Despite Senegal's efforts to diversify into other crops, groundnuts are still crucial to the country's economy. It remains to be seen whether the renewed efforts to stimulate production will have the desired effect: certainly Senegal still has some way to go to get back even to the level of the mid-1960s when the country produced crops of over 1m. tons.

WALL STREET + OVERSEAS MARKETS

9.4 rally ahead of Nixon's 'Phase Two'

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 6.

THE market staged a strong rally late in the session on Wall Street to-day, sparked by the announcement that President Nixon will detail Phase Two of his economic programme *to-morrow night*.

The Dow Jones Industrial Index closed at 900.55, a rise of 9.41 on yesterday's close—and the second time is had crossed the 900 barrier in two days.

Blue Chips led the advance but good gains were recorded across a broad front.

The Stanpoor Industrial Index at the close was up 77 cents. Trading accelerated sharply in the last hour and volume for the day topped 15.6m. shares compared with 12.4m. yesterday. Advancing shares were ahead of falls by about 9 to 5. The NYSE All Common Index was up 0.41.

Analysts said the sharp run-up in prices reflected anticipation that the President's Phase Two announcement would be good for the economy.

They noted the market has been locked into a fairly narrow *trading range because of uncertainty* surrounding the Phase Two programme and the course of the economy.

One analyst said up to this point the market has been confused, and institutions as well as individuals have been keeping to the sidelines. He saw the market's rise to-day as a response to the fact that the uncertainty is nearly over.

Among blue chips, **Dupont** gained $2 to $156, **General Electric** $1¾ to $63⅞. **Eastman Kodak** $1½ to $87¼ and **Westinghouse** $⅞ to $97. **American Telephone** closed unchanged after trading lower earlier.

U.S. Steel gained $1 to $31¼. **Bethlehem Republic** and **Armco** each gained $½, while **Jones and Laughlin** added $¼.

First National City, which reported sharply higher third-quarter and nine-month earnings, gained $1¼ to $38¼, and **Chemical** added $1 to $55¾ in a strong banking group.

Chrysler and **Ford** each gained more than $1 and **General Motors** and **American Motors** added $¾ each. The four reported higher September sales.

Jack Eckerd topped the active list losing $1¾ to $24½. **Glen Alden** added $2 to $10⅞ in active trading. Also actively traded was **Rapid American** which gained $1 to $16¼.

Polaroid, *off sharply early in* the session, closed up $1¼ to $96¼ and **Sony** which moved onto the active list late in the session was unchanged at $17.

Transportation issues were strong throughout the session. **Pan American** closed unchanged at $10¾ in active trading. **KLM** added $1¼ to $34½ and **TWA** $1 to $31½.

Prices advanced on the American Stock Exchange in *fairly active trading. The Amex* index gained 0.12 as advances led declines 535 to 32. Volume hit 4,033,000.

OTHER MARKETS

Canada lower

Canadian Stock Markets closed lower in light trading yesterday. The Toronto industrial index was off 0.85 to 170.03 and Western Oils 1.39 to 232.80.

Both **Rank Organisation** and **McIntyre Porcupine** fell more *than $2. Beaver Engineering and* **Canadian Superior Oil** declined $1½. **Chrysler** rose $2½.

PARIS—Lower all round. The general mood remained pessimistic following yesterday's Government report prior to the Budget debate.

Banks, Financials, Steels, Electricals, Oils, Foods all showed losses, but Constructions were resistant. **Michelin** dropped in Rubbers. **L'Oreal** reversed an earlier gain; *and the* **Pinay Bond** *also eased* slightly.

Dutch stocks lost ground in a mixed Foreign sector. **Bayer** was resistant in otherwise easier Germans, while **Petrofina** advanced in Belgians.

BRUSSELS—Slightly easier in slack trade, influenced by profit-taking and Wall Street's setback. **Societe Generale, Petrofina Union Miniere** and **Katanga** eased *slightly*.

Cie Lambert firmed again on higher interim results. **American Petrofina** rose, in Foreign stocks. Germans, Golds were maintained, but **Royal Dutch** and **Philips** were *notably weaker*.

AMSTERDAM — All Internationals eased on local offerings in a thin market.

Plantations were mixed and most Shippings firmed. The local Industrial sector was quiet with losses far outnumbering gains. **Heineken** continued its recent weak trend.

MILAN—Firmer in active trading.

Snia Viscosa rose in firmer *Industrials*, which included **Montedison** and **Olivetti**. Insurances, Properties and Banks shared the advance.

Bastogi continued uncertain while **Ses, Sges** and **Italpi** gained. Bonds were actively steady.

SWITZERLAND—Tended firmer. **Swissair** rose while in very steady Banks **Bankverein** moved higher. **Juvena** advanced in otherwise neglected Financials.

In the Foreign sector, trading generally was fairly quiet. Dollar stocks lacked a definite trend with small advances and losses well balanced. German and Dutch stocks closed barely steady.

GERMANY — Lower after a slightly higher opening on Economic and Finance Minister Karl Schiller's statement that he considers the time is drawing near to introduce an easier credit policy.

Early small gains were erased on lack of follow-through. Leading Chemicals, Electricals were narrowly mixed, leading Banks lost up to DM3.

Hamborner, Harpener fell in Coals. In Bonds, Public issues gained. Foreign Mark loans were barely maintained.

OSLO—Banks and Industrials were easier. Shippings were barely steady.

VIENNA—Firm. Machinery and Paper shares improved. **Reininghaus** declined on increased offerings. Banks and Insurances were unchanged.

COPENHAGEN—Quietly mixed. *Danish Airlines gained and* **Burmeister und Wain** improved slightly among Industrials.

STOCKHOLM—Maintained.

TOKYO—Lower all day, discouraged by the **Bank of Japan's** announcement on uncertain business outlook. Rumours that West Germany might upvalue the D-Mark was another adverse factor.

The Central Bank in its September economic report said the business picture had conspicuously deteriorated in little more than a month since the floating of the Yen, prompted by the sudden U.S. economic measures.

Constructions, Pharmaceuticals, Real Estate and Damage-Insur*ances were lower, some stocks* which depend heavily on exports also fell, discouraged by the U.S. dockers' strike.

Tateishi Electronics rose after news of a planned joint venture in the U.K. to produce railway ticket vending machines.

AUSTRALIA—A further decline in **Poseidon** shares highlighted trading in a weaker *Mining* sector. Oils were also lower, led by **Woodside** scrip, and Industrials showed a *slightly easier tone*.

Poseidon opened slightly lower at $13.50 and hit a year's low of $12 before slightly recovering to $12.20 for a net $1.40 loss.

Among Mining heavyweights, **CRA** was down 6 cents at $5.94, and *Broken Hill South* was 10 cents cheaper at around $2.

Peko Wallsend, which opened at $6.50, recovered to close just 2 cents lower at $6.60. **Bougainville** at $2.10 was unchanged.

Queensland Mines fell 10 cents at $3.30, **Kathleen Investments** 7 cents at $2.43. Among the few gains, **Robe River** added 3 cents at 85 cents.

Woodside lost 13 cents at 95 cents. The Rankin One well was *confirmed as a gas producer*. Partner **Mid-East** however, firmed 2 cents at 70 cents. **Bridge** added 2 cents at 33 cents.

Santos was unchanged at $3.50, as was **Basin** at 20 cents. **Mayne Nickless** rose 2 cents to $1.48 on news of the new share offer.

Herald gained 3 cents at $3.58. **Minster** at $1.08 gained 2 cents. **Cub** at $3.60 was unchanged.

JOHANNESBURG — Mining shares rallied towards the close, with dealers reporting buyers for Mining Financials, Golds and Platinum.

Vaal Reefs and **Leslie** were among Gold shares to show gains. **PP Rust.** was off the bottom in Plati*nums* but finished a couple of cents down on Tuesday's close.

De Beers eased in Diamonds. Other Metals and Minerals were quiet.

Industrials were generally firm. In Financials **Industrial Barand** shaded slightly around mid-day but regained its loss in later trading.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.*	Util. ɸ	Trading volume† 000's
Oct. 6	71.22	241.78	900.55	115.15	15,650
5	71.23	239.68	891.14	111.96	12,380
4	71.11	237.36	895.66	111.87	14,570
1	71.07	237.86	893.98	110.91	15,400
Sept. 30	71.10	237.18	887.19	109.51	13,490
29	71.06	236.67	883.83	109.32	8,680
28	71.06	236.01	884.42	109.36	11,250
27	70.99	234.77	883.47	109.18	10,220
24	70.95	237.01	889.31	109.50	15,460
1971 High	71.88 (6/4)	248.33 (7/9)	950.82 (28/4)	128.39 (19/1)	—
Low	68.52 (4/1)	169.70 (4/1)	830.57 (4/1)	109.18 (27/9)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
ɸ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Oct. 4	Sept. 24	Sept. 18 1970
3.53	3.55	4.24

N.Y. SE ALL COMMON INDEX

Dec 31 1965=50

1971 High	1971 Low	Wed.	Tues.	Mon.	Fri.	Thurs
57.76 (28/4)	49.73 (4/1)	55.15	54.74	54.80	54.66	54.33

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,705	967	437	301

1970/71	Wed.	Tues.	Mon.	Fri.	Thurs
New Highs	56	35	61	48	37
Lows	37	49	56	46	46

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Wed.	Tues.	Mon.	Fri.	Thurs
28.69 (28/4)	22.72 (4/1)	25.68	25.56	25.57	25.54	25.42
Volume (000's)		4,033	3,530	4,280	4,030	3,840

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Oct. 6	110.24	99.82
5	109.47	99.11
4	109.61	99.21
1	109.37	98.93
Sept. 30	108.73	98.34
29	108.25	97.90
28	108.23	97.88
1971 High	115.84 (25/4)	104.77 (25/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 20 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Sept. 30	Sept. 23	Sept. 29 1970
Industrial div. yield pc	2.91	2.89	3.54
Price-earnings ratio	17.48	17.57	15.87
Long-term Govt. Bds. yields pc	5.81	5.86	6.63

TUESDAY'S ACTIVE STOCKS

Amer. Tel. and Tel.; Insilco Corp.; Sony Corp.; Equity Funding; Amer. Smelting; RCA Corp.; Sou. Cal. Ed.; General Tire; Goodyear; Bunk Ramo

TORONTO

INDUSTRIAL INDEX

Oct. 5	Oct. 4	1971 High	1971 Low
170.98	171.93	188.74 (2/11)	168.21 (29/9)

MONTREAL

INDUSTRIAL INDEX

Oct. 3	Oct. 4	1971 High	1971 Low
178.55	178.08	188.39 (29/4)	174.31 (29/9)

COMBINED INDEX

178.34 177.13 184.05 (29/4) 172.35 (22/2)

JOHANNESBURG

	Oct. 6	Oct. 5	High	Low
Industrials	173.3	172.7	212.4 (9/4)	163.8 (23/8)
Golds	69.7	69.4	82.4 (17/5)	65.3 (19/8)

(1938=100). Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Oct. 6	Oct. 5	Oct. 4
On Dividends	5.77	5.77	5.77
On Earnings	9.77	9.77	9.77

SYDNEY ALL ORD. INDEX

Oct. 6	*Oct. 5	High 1971	Low 1971
434.03	435.28	518.51 (4/1)	435.50 (30/9)

*Oct. 4—Closed.

TOKYO

NEW SE INDEX

EUROPE

MONEY + EXCHANGES

Small assistance

Bank Rate 5% (Sept. 2, 1971)

Conditions were not as easy in the Discount market yesterday and the authorities gave a small amount of assistance by buying Treasury bills from the houses. The main factor in the markets favour was an excess of Exchequer disbursements over revenue payments, with the gilt edged settlement working against it.

Calling was not heavy and a rate of 4⅞ per cent. was paid for secured day-to-day loans in the morning. Towards the close it was in a range between 4½ per cent and 4¾ per cent.

In the inter-bank market overnight loans opened at 5 per cent to 5¼ per cent., touched 4¾ per cent. in *places during the* day before closing at between 4¾ per cent. and 5¼ per cent.

Oct. 6	Sterling certificates of deposit	Inter-bank	Local Authority deposits†	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposit*	Treasury bills ɸ	Bank bills ɸ	Fine trade bills
Overnight	—	4⅞-5½	5-5⅛	—	—	5½-5⅝	4 4⅞	—	—	—
2-days notice	—	—	5¼-5⅜	—	—	5½-5⅝	—	—	—	—
7-days or 7-days notice	—	5⅛-5½	5¼-5½	—	5¼-5⅜	5½-5⅝	4⅞-5⅛	—	—	—
One-month	5¼-5⅛	[illegible]	5⅛-5¼	5¼-5⅛	5¼-5½	5½-5¾	—	4.67-75	[illegible]	—
Two-months	5¼-5⅛	[illegible]	5¼-5⅜	5¼-5⅛	5¼-5½	5½-5¾	—	4.70-75	[illegible]	—
Three-months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	4.72-75	[illegible]	[illegible]
Six-months	[illegible]	[illegible]	5½-5⅝	5½-5⅝	5½-5¾	5⅞-6	—	—	6-5 [illegible]	[illegible]
Nine-months	[illegible]	[illegible]	5½-5⅝	[illegible]	5⅝-6	6-6¼	—	—	—	—
One-year	[illegible]	[illegible]	6-6[illegible]	[illegible]	6-6¼	6½-7	—	—	—	—
Two-years	[illegible]	6-6⅜	6¾-6⅞	[illegible]	7-7⅛	8	—	—	—	—

† Local authorities and finance houses seven-day notice, other seven-days fixed. * Nominal longer term mortgage rates three-years 7¼-7½ per cent., four-years 7½-7⁹⁄₁₆ per cent., and five-years 7½-7¾ per cent. ɸ Bill rates in table are buying rate for prime paper. Buying rate for 4-month bank bills 4²⁹⁄₃₂-4¹⁵⁄₁₆ per cent., and for 4-month trade bills 5½-5¾ per cent. Approximate selling rate for 1-month Treasury bills 4 43-64ths-4¹⁹⁄₃₂ per cent., for 2-month 4 45-64ths-4¾ per cent., and for 3-month 4 47-64ths-4¹¹⁄₁₆ per cent. One to three-months bank bills eligible for re-discount at the Bank of England were quoted for sale in places at 4⅝ per cent. and one to three-month trade bills at 5 per cent.

Finance House Base Rate (published by the Finance Houses Association) 6 per cent. from Oct. 1. Clearing banks' deposit rate (for small sums at 7-days' notice) 3 per cent., and Base Rate for lending 5 per cent.

EXCHANGES AND BULLION

Sterling closed lower against the *U.S. dollar in London* Inter-Bank dealings at $2.4880-$2.4890, compared with $2.4897-$2.4899 previously, after the announcement of the new exchange control regulations. Up until that time the pound had steadily improved and reached a peak of $2.4928-$2.4931 during the day. Steady business was reported. Short-term Euro-dollar rates were unchanged. The 3-month pound eased to 1.10 cents premium, the *6-month to 1.35, and the 12-month* to 1.05. The dollar was weaker against most major European currencies and the Canadian dollar gained ground in terms of the U.S. unit.

Gold was fixed at $42.44 (£17.031) an ounce in London in the *morning* and $42.45 (£17.032) in the afternoon. Business was reported to be quiet and the closing quotation was $42.35-$42.55, unchanged on the day. There were no changes in gold coins. In Zurich gold ended at *$42.40-$42.55 for a net rise of 5* cents. In Paris, the 12½-kilogramme gold bar was fixed at Frs.7,358 a kilogramme ($42.51 an ounce, unchanged at the financial franc exchange rate) at noon, and *at Frs.7,370 ($42.57) in the after*noon. The one-kilogramme ingot was fixed at Frs.7,390 ($42.69 an ounce). Turnover at the Bourse meeting was Frs.4m. Hong Kong raised gold 7 cents an ounce to $43.88.

EXCHANGE CROSS-RATES

Oct. 6	Frankfurt	New York	Paris (c)	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.317-318	60.00-02	7.058-060	8.268-2685	98.65-67	85.78-80
N. York	30.150-155	—	18.066 090	2.128-129	2.488-487	29.722-732	26.251-258
Paris (c)	166.64-78	5.527-530	—	11.761-769	13.772-787	164.38-48	139.69-80
Brussels	14.16-17	46.96-99	8.49½-50½	—	117.07-17	13.97½-98	11.87-87½
London	8.25½-26½	2.48¾-49	13.74½-78½	116.85-117.15	—	8.36½-37½	9.55½-56½
Am'd'm	101.36-41	3.36½-¾	60.87½-82½	7.16⅝-⅞	8.37½-38½	—	84.85½-85.00½
Zurich	119.15-35	3.958-961	71.60-70	8.41-43	9.868-878	117.45-75	—

U.S. $ on Montreal 1.00[illegible]. Canadian $ on New York 0.9925-0.9930. (c) Commercial

EURO-CURRENCY INTEREST RATES ◇

Oct. 6	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W. German mark	Swiss franc
‡Short-term	3¾-4¼	5¼-5¾	3½-3¾	4½-5	6-6½	0-¾
7-days' notice		5⅜-5⅞	4-4¼	4¾-5¼	6-6½	0 ¾
Month	4-4½	5¾-6¼	[illegible]	4⅞ 5⅜	5⅞ 6⅜	⅝-⅞
Three-months	5¼ 5¾	6¾ 7⅛	6⅝-6⅞	5⅜-5⅝	[illegible]-6⅝	1⅝ ¾
Six-months	6-6½	6¾-7⅛	6¾-7	5½-5¾	5¾ 6⅛	2½ 2⅞
One-year	6¾-7½	7-7½	6⅞-7⅛	5⅞-6¼	5⅞-6¼	3⅝-4⅛

Longer-term Eurodollar deposit rates were quoted nominally as follows: two-years 7¾-8 per cent., three-years 7⅞-8⅛ per cent., four-years 8⅛-8⅜ per cent., and five-years 8⅛-8⅜ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6⁹⁄₁₆-6⁷⁄₁₆ per cent., three-months 7⁵⁄₁₆-7³⁄₁₆ per cent., six-months 7½-7⅜ per cent., *one-year* 7⁷⁄₁₆-7⁵⁄₁₆ *per cent.*

◇ Rates are in some cases nominal.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FOREIGN EXCHANGES

Oct. 6 1971	Bank Rate %	Day's Spread	Close
New York	5	2.481½-.491½	2.48[illegible]
Montreal	5¼	2.50½-.51½	2.50[illegible]
Amst'dam.	5	8.36 41	8.36¼ [illegible]
†Brussels	5½	116.80 117.40	116.85 [illegible]
Copenh'gn	7½	18 4½ 10	18.04[illegible]
Frankfurt	5	8.25 .29	8.25[illegible]
ɸ Lisbon	Δ3¾	67 60 68 50	67.7[illegible]
Madrid	††6	171.58-172.50	171.70 [illegible]
Milan	5	1,520-1,525	1,521[illegible]
Oslo	4½	17.02 .07	17.02-[illegible]
‡ Paris	6¾	16.73 .78	13.74[illegible]
Stockh'lm.	5½	12.45 .51	12.46 .4[illegible]
Tokyo	5¼	815 840	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

OTHER MARKET RATES

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment $ Premium (based on $2.40 per £1) 21½% (21¼%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

PUBLIC UTILITIES

TRUSTS, BANKS & BONDS

TORONTO

MONTREAL

GERMANY

AMSTERDAM

OSLO

PARIS

BRUSSELS

SWITZERLAND

VIENNA

MILAN

TOKYO

STOCKHOLM

COPENHAGEN

AUSTRALIA

JOHANNESBURG

MINES

Kinross	1.35
Kloof	4.90
Pot. Plats.	1.73
St. Helena	9.20
South Vaal	†2.25
West Wits	†10.80
Union Corp.	†2.55
De Beers	3.17
Blyvoors	2.90
Hartles	†2.70
Pres. Brand	7.50
W. Driefontein	†14.50
W. Holdings	†13.80
Western Deep	16.40

INDUSTRIALS

Anglo-Alpha Cement	1.10
Anglo-Transvaal Inds.	1.10
Barlow (T.) and Son	2.30
CNA Investments	4.50
Guardian Assce. (S.A.)	1.12
Hill Samuel (S.A.)	0.55
LTA	1.06
Protea Assurance	1.25
Slater Walker (SA)	5.50
S. African Breweries	1.30
S.A. Pulp	†1.05
Tiger Oats	4.40
Twins Pharmaceutical	0.40
Wits. Indus. Growth	5.30

● CITENSA, the Spanish telephone equipment manufacturing company operating with Standard Electric capital participation, has dismissed 200 surplus workers from its Malaga factory. A Citensa spokesman stated that, faced with fierce competition caused by the 10 per cent. U.S. import surcharge the company has lost several foreign contracts and, in order to remain competitive, has decided to dismiss about 10 per cent. of its 2,000 workers. The surplus personnel have protested against the dismissals and have invited their colleagues to go on strike.

STOCK EXCHANGE REPORT

Equity leaders idle but features in situation stocks

Index 0.5 off at 412.1—Late weakness in Rank Organisation

ACCOUNT DEALING DATES

First Dealings	Option Declara-tions	Last Dealings	Account Day
Sept. 20	Sept. 30	Oct. 1	Oct. 12
Oct. 4	Oct. 14	Oct. 15	Oct. 26
Oct. 18	Oct. 28	Oct. 29	Nov. 9

"New time" dealings may take place from 5 p.m. three business days earlier.

Although there was hardly any follow-through yesterday to Tuesday's better demand for leading equities, there was little sign of a deterioration to the firm undertone. Instead, buyers restricted their attention to second-line equities and situation stocks. Contrasting features here were Brown Bros. and Albany, up 14½p to 192½p, and Standard Tyre, down 10½p to 167½p, on news that merger talks between the two have been terminated. Late weakness in Rank Organisation issues was attributed to a bearish American broker's circular; the "A" shares ended 59p down at 747p, after 740p.

Reflecting the general idleness of the leaders, the Financial Times Industrial Ordinary share index moved narrowly during the day before closing at the worst of 412.1, down 0.5. But as a measure of the general market firmness, the main FT-Actuaries indices all recorded small gains with the Industrial Group at 170.68, the 500-Share at 184.05, and the All-Share at 181.71. Bargains marked improved to 11,628, compared with 11,206 on Tuesday. However, the ratio of rises-to-falls in all FT-quoted Industrials showed a slight decrease at 5-3 against 2-1 the previous day.

Gilts unsettled late

The late announcement of a complete ban from to-day on the purchase of British Government securities by non-residents of the sterling territories (previously the ban was on securities with less than five year dates) tended to unsettle sentiment in "after-hours" trading in the Gilt-edged market yesterday. Medium-dated stocks which had been showing gains of up to ¼ eased back by ⅛ in places, while longs ended with rises of ⅛, after holding fairly steady in the earlier dealings. Although not so active, there was a reasonable turnover in the shorts following the previous day's news that the short "tap" stock supply had been virtually exhausted. Treasury 6½ per cent. 1976, put on $\frac{1}{32}$ more to 100$\frac{17}{32}$, while other rises ranged up to ⅛. Another lively day's business was seen in Corporations. A premium of around ⅜ is expected on the new Bristol Corporation 7¾ per cent. stock when dealings commence to-day.

Business was still at a low ebb in the investment dollar market and the premium drifted ½-point lower to 21½ per cent.

Hire Purchases good

Still bolstered by the August upsurge in HP business, Hire Purchases made good progress on buying in a market rather short of stock. Mercantile Credit featured with a fresh advance of 16p at 211p, while UDT ended 7p higher at 212p. British Debt Services rose 10p to 190p and Lloyds and Scottish 4p to 106p.

Home Banks continued to gain ground, but finished about 2p below the day's best with net rises ranging between 2p and 8p. National Westminster again led the way, raising the latter amount to 564p, while National and Commercial ended 3p better at 144p. Merchant Banks were generally firm; Leopold Joseph gained 15p more at 320p and Keyser Ullmann 20p at 515p. London and County Discount, still on the increased interim dividend, were another 5p up at 195p.

Another small business in Insurances left prices a shade off in places, but Sun Alliance gained 4p at 506p and Economic 10p at 280p. C. T. Bowring were a good market in Lloyd's brokers at 490p, up 14p, but Staplegreen declined 8p to 285p.

Breweries spent another quiet day and price movements were finally small and mixed. Courage eased back 3p further to 120p on the interim statement. Among Distilleries, Glenlivet lost 5p at 125p following the results, but Tomatin rose 7p to 93p on a revival of speculative demand.

Building issues provided several good spots. A.P. Cement advanced 7½p to 375p, while J. Mowlem, still reflecting the good interim figures, added 10½p more at 142½p. Gains of around 8p were seen in R. M. Douglas, 130p, Sir L. Parkinson, 215p, and L. Fairclough, 256p. Mix-concrete improved 10p to 109p, while Higgs and Hill, 95p, and British Dredging, 83p, both closed 6p harder. Atlas Stone, however, were dull at 160p, down 5p.

ICI passed another quiet day and closed 2p lower at 314p. Fordath, however, attracted support and ended 4p to the good at 198p.

Leading Stores generally came back with the exception of "Gussies" "A," which ended 4p better at 421p. Marks and Spencer, in erratic trading, closed at 307p, down 1p, after a day's low of 302p; the interim results are due next Tuesday. A. and S. Henry moved lower to 108p, down 2p, following the Board's decision to recommend the United Drapery Stores revised offer, while UDS were 3p cheaper at 137p. Bentalls hardened 4p to 76p, while Currys, 277p, D. Perkins, 153p, and Weston Pharmaceuticals, 68p, all improved similarly. Following Tuesday's fall of 11p on disappointing trading news, Bensons Hosiery regained 2p at 26p.

Freeman's rise

Mail Orders moved into higher ground under the lead of Freeman's (London), which jumped 13p to 180p on nearly doubled first-half profits. Empire Stores, 327p, and Grattan Warehouses, 267p, put on 10p and 7p respectively.

Leading Electricals were easier for choice in quiet trading. Plessey lost 3p to 122p, but EMI, after Tuesday's 6p rise, held steady at 142p awaiting to-day's expected results. Philips' Lamp remained dull on Amsterdam advices, closing 12p lower at 508p. Thorn "A" improved afresh to 443p, but later reacted to 435p, down 2p on the day. Bowthorpe, following the previous day's 4p gain on the interim report, came back 1½p to 51p, while Dreamland, on their half-year figures, receded 2p to 31p. Ever Ready gave up 4p to 218p. On the other hand, Decca "A," 312p, and Pifco "A," 345p, both appreciated 10p in thin markets, while A.B. Electronic added 6p at 126p and Pressac 5p at 127½p.

Engineerings contained good features in Babcock and Wilcox, which opened higher at 260p following the appearance of a large buyer late the previous evening and advanced further to 264p for a net rise of 17p. Country demand was responsible for a gain of similar magnitude in Hill and Smith, at 110p, while M. Mole rose 6p to 44p. Ahead of the interim report, expected soon, Bamfords put on 4p more at 40p. Kirkstall Forge also came in for support at 54p, up 6½p, along with S. Osborn, 4p better at 69p. Following disappointment with their respective interim results, Warne Wright fell 5p to 39p, Davidson 3p to 20p and Senior 2p to 50½p. Helped by the Jevons Cooper deal, Clarkson International gained 2½p more to 90p.

Rank Org. dip

Reports of a bearish American broker's circular prompted late weakness in Rank Organisation issues; the "A" shares reacted to 740p before closing 59p down on the day at 747p, while the Ordinary ended a similar amount off at 722p. The termination of merger discussions between Standard Tyre and Brown Bros. and Albany caused a reaction of 10½p to 167½p, after 153p, in the former, but Brown Bros. Albany advanced 14½p to 192½p, helped by the profits forecast. Avon Rubber rose 12p to 321p. Rycroft Bradford were good at 105p, up 15p, on the agreed bid from United Builders Merchants. Office and Electronic Machines responded to the dividend forecast with a rise of 8p to 103p and Leboff Fobel were notable for a rise of 7p at 79p. Myson gained 6p to 214p following the chairman's statement, while Rimmel moved up 7p to 144p on news of the offer from International Telephone and Telegraph. W. Wood and Son held steady at 50p after news of the proposed deal with Associated Development Holdings; the bid from Barrow Hepburn, which is conditional upon the transaction with ADH not being effected, came well after market hours.

Leading Foods moved narrowly but were usually a little firmer where changed as in Tate and Lyle, 1½p harder at 138p. Cavenham picked up 6p more at 140p, while Matthews Holdings, 69p, and Rowntree Mackintosh, 618p, put on 5p and 8p respectively. Cadbury-Schweppes firmed 1½p to 85p, while gains of about 3p were seen in Clover Dairies, 170p, and J. B. Eastwood, 58p. Among Supermarkets, Pricerite added 2p more to 51p, still on speculative demand following the Boardroom changes.

Grand Metropolitan Hotels gained 4p to 188p.

In Motors, Lotus came under the scrutiny of buyers and rose 6p to 67p, but British Leyland eased ½p to close at 45p. Commercial Vehicles, where changed, were usually better and in Components, Bluemel Bros. jumped 8p to 98p, after 100p. Britax-Excelsior, whose preliminary results are expected next month, rose 7½p to 55p, but Lucas came back 5p to 279p. Generally firm Garages were highlighted by a rise of 6p to 293p in Lex Service. Still reflecting the success of the HS-11S2 trainer design, Hawker Siddeley firmed 2p more to 215p, after 217p.

Oddenino's again claimed buyers' attention in Properties and rose 20p more to 360p. Also supported were St. Martins, up 7p at 320p, and Regional which, on fresh speculative buying, gained 8p further at 345p. A similar type of demand raised Edger Investments 5p to 176p and International Property 1½p to 10p. Leading stocks were rarely altered apart from Trafalgar House, up 3p at 123½p. Elsewhere, Amalgamated Investment lost 5p at 370p following the preliminary figures.

On the appearance of a fairly sizeable buyer, Associated Newspapers advanced 6p to 142p, while Bunzl Pulp hardened 2p to 90p in response to the increased interim dividend and profits. Letraset were the same amount higher at 42p.

Trinidad Canadian up

Second-line Oils attracted a fair amount of buying interest, in particular Trinidad Canadian, up 6p at 172p on renewed investment demand, and Eastern and General, which rose 4½p to 62p; turnover in the latter was made up partly of speculative support. Leading issues were quietly irregular, with Shell the turn harder at 353p, but British Petroleum 5p lower at 603p in sympathy with New York advices. Despite news of the Rankin No. 1 well gas discovery, Woodside fell 4p more to 44p.

In firm Trusts, New Throgmorton Capital were outstanding for an advance of 21p to 177p, while Throgmorton Secured Growth Capital, on the chairman's encouraging statement with the full report, gained 9p to 139p. Direct Spanish Telegraph improved 7p further to 196p. Triumph Investment, a strong market of late, encountered a large business, but ended 1p off on the day at 203p, after 205p. Financials were again generally supported, but Adepton relinquished 4½p to 102½p. Jessel Securities recouped most of the previous day's fall which reflected a chart "sell" signal and the Ordinary closed 8p better at 256p and the Deferred 4p firmer at 156p.

Court Line and Furness Withy again attracted most of the attention in quiet Shippings; after Tuesday's 10p gains, Court Line touched extremes of 182p and 187p before finally resting at 183p, down 3p on the day, while Furness closed 7p cheaper at 333p. P. & O. Deferred hardened 2p to 146p, while Sheaf Steam, in a thin market, rose 8p to 205p.

Tobaccos continued in firm vein with "Bats" up 4p more at 331p and "Imps" 1p further at 85p.

Rubbers tended to improve in a reasonable turnover, Guthrie adding 5½p at 238½p. Teas were quiet, but with a firm undertone.

Poseidon at new low

Following another weak overnight session in markets "down under," Australian issues lost ground over a broad front under the lead of Poseidon which fell to a year's low of 550p before closing at 575p for a net 50p decline.

Metals Exploration were 4p off at 132p; the rights issue proposals for later this year overshadowed the impact of the share placing at a price far in excess of the current share quotation. Whim Creek gave up 28p at 116p and Gt. Boulder lost 7p at 50p.

Finance issues were initially easier following the South African-Zambian border incident but London buying later rallied prices. Charter were finally 2p off at 181p after 178p, while RTZ were 2p better at 188p after a 1971 low of 184p.

In front of the news of an overall increase in diamond prices of 5 per cent., De Beers were 4p down at 182p owing to Cape offerings. Rumours that General Motors of the U.S. is to announce the use of a platinum containing anti-pollution device failed to stimulate Potgietersrust which fell 4p to 93p. "Johnnies," however, were ¼ up at £11¼ after £11.

Gold shares were showing mixed fortunes although the bullion price held steady. Free State Geduld were 15p lower at 460p but Winkelhaak rose 4p to 146p.

Copper shares showed little reaction to the modest recovery in the metal price. Elsewhere, in front of the latest progress report from the Navan zinc-lead find in Ireland, Tara Exploration were another 5p up at 660p. Northgate fell 15p to 280p.

FINANCIAL TIMES STOCK INDICES

—	Oct. 6	Oct. 5	Oct. 4	Oct. 1	Sept. 30	Sept. 29	A year ago
Government Sec.	78.87	78.90	78.90	78.54	78.34	78.87	70.96
Fixed Interest	78.66	78.69	78.60	78.44	78.31	78.36	73.23
Industrial Ordinary*	412.1	412.6	404.8	406.9	409.2	413.7	378.4
Gold Mines	47.1	47.0	46.0	46.6	47.3	47.7	50.7
Ord. Div. Yield pc.	3.76	3.76	3.82	3.81	3.79	3.75	4.44
Earnings Yield pc (a)	5.86	5.86	5.96	5.94	5.91	5.88	6.13
P.E. Ratio (a)	17.08	17.08	16.78	16.84	16.93	17.01	16.32
Dealings Marked	11,628	11,206	12,226	11,128	11,052	11,977	12,186

*10 a.m. 412.6 11 a.m. 412.5 Noon 412.6 1 p.m. 412.5 2 p.m. 412.5 3 p.m. 412.7

(a) Based on 40% corp. tax from March 30, 1971. Latest Index [illegible]

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.30 (27/8/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	78.69 (5/10/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	430.8 (7/9/71)	305.3 (3/3/71)	521.9 (19/9/66)	49.4 (26/6/40)
Gold Mines	61.3 (18/3/71)	45.6 (1/10/71)	100.0 (12/9/55)	44.0 (15/1/70)

S.E. ACTIVITY

—	Oct. 6	Oct. 5
Daily—		
Gilt-Edged	209.1	218.6
Industrials	408.2	388.0
Speculative	213.7	207.0
Totals	264.7	255.1
5-day ave.—		
Gilt-Edged	211.2	215.6
Industrials	405.9	403.8
Speculative	197.5	192.0
Totals	260.6	262.2

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

AUTHORISED UNIT TRUSTS (p★★★)

				§ Yield %
(g) Abacus Management Pall Mall, Manchester 2. (061) 832 5027				
Units	37.0	39.0	......	3.00
Growth Units	30.5	32.5	......	3.00
Income Units	30.4	32.4	......	7.00

(a) (b) (c) Equity & Law Un Tr M Amersham Rd., High Wycombe, Bucks. Tel. High Wycombe 32815.

				§ Yield %
Equity & Law Unit	47.8	50.3xd	+0.1	2.54

Family Fund Managers Ltd. 16, Coleman Street, London, E.C.2. 01-606 7811.

(a) Mallet & Wedderburn Ltd. 32, Lombard Street, E.C.3. 01-626 1891

				§ Yield %
(b) Overseas Units	25.2	26.8	+0.2	1.86

Minster Fund Managers Ltd. Minster House, E.C.4. Phone 623 1050

Minster Fd Oct. 4	41.0	43.0	......	3.13

J. Henry Schroder Wagg & Co. Ltd. 120, Cheapside, E.C.2. 01-588 4000

				§ Yield %
Capital (Sept. 28)	106.8	109.5	......	1.81
(Accum. Units)	110.8	113.7	......	1.81
Income (Sept. 28)	116.8	119.8	......	4.55
(Accum. Units)	126.3	129.5	......	4.55
General (Oct. 6)	61.9	63.8	−1.0	2.31

[illegible]

OFFSHORE AND OVERSEAS FUNDS (p★★★)

Albany Management Co. Ltd. Utility Hs. PO Box 463, Hamilton, Bermuda

				§ Yield %
Albany Fund Ltd.	£5.08	£5.39	......	1.00

American Express Inv. Mngmt. Co. 154, Edward St., Brighton, U.K. BRI 685411

Eurosyndicat Group

				§ Yield %
Euronion Lux F.	1,768	1,859	......	3.43
Finance Union Lux F.	480	499	......	3.41

For Sterling Dealing Prices contact London Agents N. M. Rothschild & Sons, Ltd. [illegible]

Jardine Fleming & Co. Ltd. 22, Pedder Street, Hong Kong.

				§ Yield %
Jardine East'n Fd†	HK$140.92		......	2.85

NAV Sept. 30. Next sub. day Oct. 29.

Save & Prosper Distributors Ltd. P.O. Box 1434, Hamilton, Bermuda.

				§ Yield %
Dollar Fund	£4.87	5.32	......	—
Hampstead	£6.43	7.03	......	—
†Monitor	£4.49	4.91	+0.05	—
S. & P.J.J.F.	US$13.10	14.32	......	—
Sterling Fund	£4.36	4.77	......	—

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

STOCK EXCHANGE DEALINGS from the Official List for Oct. 6

Wednesday, October 6	11,628	Monday, October 4	12,226	Thursday, September 30	11,052
Tuesday, October 5	11,206	Friday, October 1	11,128	Wednesday, September 29	11,977

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. △ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (971)

INTERNATIONAL BANK STOCK (1)

CORPN. & COUNTY—U.K. (160)

PUBLIC BOARDS, ETC.—U.K. (29)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (60)

COMMONWEALTH CORPN. STOCKS (2)

FOREIGN STKS., BDS., ETC. (16)

CORPN. STKS.—FOREIGN (1)

U.K. AND COMMONWEALTH RAILWAYS (30)

FOREIGN RAILWAYS (2)

BANKS & DISCOUNT COS. (386)

Joseph (L.) Hldgs. 310 30
Keyser Ullmann 495⊕
Lloyds Bolsa International 338⊕ 2
Lloyds 578⊕ 3⊕ 2⊕ 80⊕ 72⊕ 84 77 8 80 6 5
London County Secs. (25p) 192 90 ¾ 2 ¼ 5 7
Mercury Secs. (25p) 179 81 3 80
Midland 507½⊕ 10⊕ 12⊕ 8 6 14 12 2‡ 10 16 6‡ 15
Minster Assets (25p) 67 6 ½. 5pcPf. 53
Montagu Trust (25p) 200⊕ 200 3
National Commercial Group (25p) 139⊕ 44 2 40 3
National Grindlays Hldgs 385⊕ 3
National Westminster 556⊕ 42⊕ 60⊕ 2⊕ 54⊕ 60 6 56 4‡ 8 62 51‡ 64 55 5‡ 66 5. Warrants 88⊕ 8 9½ 90 ½ 59 91. 7pcPf. 80½‡ 1 80½. 8¾pcLn. 99½⊕. 9pcLn. 102 ½
Ottoman (Bearer) (£20 £10 pd.) £21⊕
Rea Brothers A 270

BREWERIES & DISTILLS. (292)

CANALS & DOCKS (5)

COMMERCIAL, INDUSTRIAL (6,563)

A—B

British Printing Cpn. (25p) 30 29 ½. 6pcBPf. 34⊕. 7½pcPf. 45⊕
British Relay Wireless Television (25p) 39⊕ 41 40 ½ 39
British Rollmakers Cpn. (25p) 37⊕
British Ropes (25p) 101 ½ 2 3
British Shoe Cpn. 7pcUnsec.Ln. 80
British Sidac (50p) 36 5
British Steam Specialties (20p) 89
British Steel Constructions (Birmingham) (25p) 6¼. 8¼pcUnsec.Ln. 1987-92 39½
British Tar Products (12½p) 39 6
British Tobacco (Aust.) ($A1) 92
British Vending Industs. (10p) 30 1
British Vita (25p) 270½⊕
Britton (G. B.) Sons (Hldgs.) (25p) 26½⊕ 5⊕ 6½

C—D

English Calico (25p) 44½ 5¾ ½ 6. 5pcPf. 52. 7¼pcDb. 80¼⊕. 7¼pcUns.Ln. 73½
English Card Clothing (25p) 33½
English China Clays 6¼pcDb. 84½⊕ 3½ 4½ 6 345. 7¼pcDb. 84¼⊕ ¾
English Electric 5½pcDb. 1977-82 78¼. Do. 1979-84 75⊕ ½. 6pcDb. 78
Enstock Tst. (10p) 20½
Erith Co. (25p) 92⊕ 5
European Ferries (5p) 161⊕ 59½⊕ 60⊕ 58⊕ 9⊕ 60 59½ 61 60½ 1½ 59‡
Eva Inds. (5p) 26⊕
Ever Ready Co. (Gt. Britain) (25p) 220 19 17 22 18
Exchange Telegraph Co. (Hldgs.) (25p) 180
Expanded Metal (25p) 113½

E—F

G—H

I—J—K

Kershaw (A.) (5p) 35 ½
Kettering Motor Service Group (10p) 121⊕
Kier (J. L.) (25p) 163 1
Kingsley Keith Chemical Group (10p) 67 8
Kinloch (Provision Merchants) (25p) 48⊕ 4 2
Kirkstall Forge Engineering (25p) 48⊕ 8 ½ 51 3½ 3
Kitchen (R.) Taylor (10p) 66 5
Kitson's Insulations (50p) 127 8
Kode International (25p) 26
Kwik Save Discount Group (10p) 237⊕ 7 9 8 40
Kynoch (G. and G.) 6½pcPf. 47⊕

L—M

N—O—P

Plessey (50p) 123½⊕ 4 2 1 3 5. 7 Db. 84
Pontin's (10p) 28¼⊕ 8 ½ 7¼ 8¼. Ln. 104‡⊕ 3‡ 4
Poole (Thos.) Gladstone China (5p) 7¼
Portals Hldgs. (25p) 180. 6pcPf. 60 SpcLn. 134½⊕
Porter Lancastrian (10p) 21 20¼
Porvair (25p) 17⊕ 18⊕ 17 ¾
Powell Duffryn (50p) 134 ½ 5 2½ 6
Power Tool Specialists (10p) 43
Pratt (F.) Engrg. Cpn. (25p) 52 49. 7 Ln. 57½ 7‡
Press (W.) (5p) 56⊕ 6½ 9 8 7 ½. 8p 82
Prestige Group (25p) 183
Prestwich Parker 231½⊕

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (4)

FINANCIAL TRUSTS, ETC. (265)

GAS (8)

INSURANCE (274)

INVESTMENT TRUSTS (602)

UNIT TRUSTS (5)

IRON, COAL & STEEL (32)

MINES

Australian (47)

Miscellaneous (303)

Rhod. & E. African (37)

Botswana Rst. (R2) 175‡ 80
Phoenix Mng. Fin. (25p) 37
Roan Consd. B (K4) 170‡ 8
Tanganyika Concs. (50p) 154½⊕ 5½⊕ 5 1
Zambia Copper Inv. ($BD0.24) 39‡ Units of Ln. 1978 21 3 ¼. Do. 18¼⊕ 17 ½ 18 ¼
Zambia Indus. Mng 6pcDollrBds. 1978 ($US100) £23 7
Zambian Anglo Amer. ($BD1.40) 3 5 6

South African (308)

Anglo American Cpn. (R0.10) 253⊕ ½
Blyvooruitzicht (R0.25) 123 6
Bracken (R1) 40‡ 2

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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks.)	Wed. Oct. 6, 1971 Index No.	Day's Change %	Est. Earnings yield % (With 40% Corporation Tax)	Est. Price Earnings Ratio (With 40% Corporation Tax)	Div. yield %	Tues. Oct. 5 Index No.	Mon. Oct. 4 Index No.	Friday Oct. 1 Index No.	Thurs. Sept. 30 Index No.	Year ago (approx) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
CAPITAL GOODS GROUP (184)	156.79	+0.5	6.02	16.60	3.82	155.99	154.54	154.46	156.07	130.92	162.00 (14/9)	103.05 (2/3)	181.50 (19/9/68)	82.82 (25/6/66)
Aircraft and Components (3)	115.44	—	7.25	13.79	5.50	113.45	111.79	111.86	113.89	116.19	124.11 (7/9)	66.40 (5/3)	260.12 (23/9/68)	66.40 (5/3/71)
Building Materials (29)	163.38	+1.2	4.83	20.70	3.53	161.52	160.57	160.59	162.42	111.09	166.88 (24/8)	98.30 (2/3)	167.98 (20/8/68)	85.01 (25/6/62)
Contracting and Construction (20)	272.11	+0.9	5.14	19.47	2.26	269.79	265.21	262.13	264.51	201.06	272.11 (6/10)	152.63 (26/3)	272.11 (6/10/71)	84.59 (27/8/62)
Electris. (ex. Electrn. Rad. & TV) (13)	276.22	—0.3	5.09	19.66	2.98	279.04	274.00	271.85	275.75	225.19	286.23 (10/9)	174.23 (2/3)	335.11 (17/9/68)	84.71 (25/6/62)
Engineering (79)	138.64	+0.6	6.89	14.50	4.52	137.88	136.90	137.56	138.50	126.06	149.28 (23/7)	102.56 (2/3)	160.85 (19/9/68)	82.90 (26/6/62)
Machine Tools (15)	65.87	+0.3	7.58	13.19	6.27	63.67	63.23	63.09	63.58	70.25	68.30 (13/8)	43.86 (5/3)	136.70 (4/7/68)	43.86 (5/3/71)
Miscellaneous (25)	128.80	+0.4	7.85	12.74	4.49	128.32	128.52	129.15	130.66	121.50	136.20 (14/9)	94.19 (2/3)	144.27 (31/1/69)	69.01 (8/11/65)
CONSUMER GOODS (DURABLE) GROUP (56)	179.51	—0.1	4.22	23.67	2.90	179.74	177.11	177.08	179.59	148.91	185.09 (23/9)	117.33 (2/3)	197.87 (15/1/69)	79.98 (25/6/62)
Electronics, Radio and TV (14)	191.96	—0.3	3.83	26.10	2.28	192.47	189.03	189.06	191.49	164.91	199.14 (23/8)	128.51 (2/3)	199.86 (19/8/68)	71.10 (6/11/66)
Household Goods (15)	200.76	—0.4	5.83	17.15	3.32	201.54	199.61	199.78	201.19	134.52	205.67 (25/9)	115.92 (8/3)	205.67 (23/9/71)	86.65 (26/6/62)
Motors and Distributors (27)	120.52	+0.1	4.23	23.63	2.55	120.37	118.93	118.79	120.95	101.31	123.57 (23/8)	78.91 (2/2)	170.59 (15/1/69)	75.92 (24/10/62)
CONSUMER GOODS (NON-DURABLE) GROUP (175)	165.83	+0.2	5.46	18.31	3.59	165.43	163.59	163.38	165.63	127.26	172.37 (14/9)	118.17 (3/4)	172.37 (14/9/71)	83.71 (8/11/66)
Breweries (21)	191.60	—0.1	5.25	19.03	3.56	191.80	191.38	189.43	195.42	155.11	205.23 (14/9)	123.30 (4/1)	205.23 (14/9/71)	80.39 (30/8/66)
Wines and Spirits (7)	168.94	+0.4	6.18	16.19	4.15	168.29	166.98	168.65	173.22	147.41	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
Entertainment and Catering (15)	221.61	+1.7	6.56	15.25	3.49	217.97	214.94	214.07	215.57	184.60	223.01 (20/8)	177.99 (2/3)	231.89 (21/1/69)	80.11 (25/7/62)
Food Manufacturing (24)	145.60	+0.5	5.49	18.22	3.72	144.85	144.01	144.33	145.94	114.98	149.88 (14/9)	99.74 (2/3)	171.54 (31/1/69)	95.98 (15/6/70)
Food Retailing (17)	155.93	—	5.16	19.37	3.26	155.99	155.33	154.76	156.76	112.05	160.89 (23/9)	100.23 (2/3)	163.68 (7/8/68)	94.62 (27/6/70)
Newspapers and Publishing (15)	154.94	+0.7	5.60	17.86	4.54	153.79	151.92	152.33	153.08	111.90	154.94 (6/10)	101.66 (13/1)	184.86 (28/1/69)	81.74 (23/7/62)
Packaging and Paper (16)	115.45	—0.1	6.68	14.96	4.49	115.58	114.40	115.22	115.24	112.74	125.27 (8/9)	88.81 (2/3)	134.63 (2/1/69)	87.91 (25/6/62)
Stores (30)	158.32	—0.3	4.30	23.23	2.97	158.73	155.89	155.79	157.41	109.36	164.88 (24/9)	104.48 (2/3)	164.88 (24/9/71)	72.74 (8/11/66)
Textiles (21)	173.04	+0.5	5.67	17.62	5.82	172.24	171.13	169.56	171.36	151.71	183.27 (7/9)	137.81 (2/3)	253.72 (17/9/68)	89.90 (30/7/62)
Tobacco (3)	226.69	+1.7	9.63	10.38	5.82	222.96	216.91	218.31	218.39	197.84	254.47 (27/7)	170.92 (20/1)	305.02 (30/1/69)	94.34 (13/6/62)
Toys and Games (6)	46.27	+0.2	0.86	116.01	3.23	46.18	45.76	45.87	45.80	57.64	69.03 (12/1)	44.90 (9/8)	135.72 (16/1/70)	44.90 (9/8/71)
OTHER GROUPS														
Chemicals (19)	187.74	—	5.33	18.74	3.47	187.65	184.66	183.76	186.23	156.83	200.29 (7/9)	138.18 (10/2)	201.92 (31/1/69)	83.29 (25/6/62)
Office Equipment (10)	186.56	—3.5	3.55	28.17	1.60	193.27	189.24	185.72	168.70	165.42	212.05 (16/7)	153.52 (15/2)	212.05 (16/7/71)	109.12 (26/5/70)
Shipping (10)	312.41	+0.2	8.51	11.75	5.28	311.65	308.58	309.41	312.99	353.43	332.60 (7/9)	269.76 (16/4)	355.44 (9/10/70)	90.80 (29/6/62)
Miscellaneous (unclassified) (44)	191.28	+0.7	5.62	17.78	3.61	189.96	186.99	187.96	189.54	140.92	194.79 (25/8)	128.55 (2/3)	194.79 (25/8/71)	76.52 (8/11/66)
INDUSTRIAL GROUP (498 SHARES)	170.68	+0.1	5.45	18.36	3.56	170.45	168.35	168.09	170.21	—	176.61 (14/9)	120.61 (2/3)	176.61 (14/9/71)	120.61 (2/3/71)
Oil (2)	326.93	—0.5	6.19	16.15	3.83	328.51	323.29	326.32	327.33	290.57	363.50 (27/7)	260.74 (2/3)	431.66 (29/5/69)	87.23 (29/5/62)
500 SHARE INDEX	184.05	+0.1	5.55	18.00	3.60	183.96	181.60	181.61	183.65	149.83	190.65 (8/9)	132.46 (2/3)	193.73 (31/1/69)	84.86 (25/6/62)
FINANCIAL GROUP (121)	175.04	+0.5	—	—	2.74	174.11	172.53	173.55	174.43	124.16	178.49 (24/9)	119.73 (10/2)	178.49 (24/9/71)	69.38 (30/8/65)
Banks (6)	177.07	+1.0	7.79	12.83	2.87	175.27	172.69	174.06	174.36	108.35	189.94 (27/7)	101.65 (6/1)	189.94 (27/7/71)	69.25 (16/6/64)
Discount Houses (6)	184.63	—0.4	—	—	4.18	185.40	184.66	185.89	184.28	128.36	186.04 (28/9)	130.72 (16/1)	186.04 (28/9/71)	87.65 (18/6/69)
Hire Purchase (6)	287.54	+3.5	4.43	22.60	2.63	277.73	273.71	275.01	278.09	102.20	306.24 (8/9)	188.57 (13/1)	306.24 (8/9/71)	80.02 (3/8/65)
Insurance (Life) (9)	160.86	—	—	—	2.69	160.92	160.12	162.34	163.76	130.62	170.47 (20/9)	123.16 (18/1)	170.47 (20/9/71)	61.36 (30/8/66)
Insurance (Composite) (9)	136.77	—0.3	—	—	3.16	137.12	135.24	137.02	136.22	90.80	140.87 (23/9)	89.80 (10/2)	140.87 (23/9/71)	54.40 (16/3/65)
Insurance (Brokers) (11)	177.67	+0.7	4.98	20.10	2.58	176.51	175.12	175.99	177.93	113.72	187.56 (27/9)	118.27 (4/1)	187.56 (27/9/71)	82.59 (24/7/69)
Investment Trusts (20)	194.29	+0.6	2.93	34.14	2.73	193.20	191.81	191.84	193.09	169.73	202.33 (8/9)	152.16 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
Merchant Banks, Issuing Houses (14)	179.93	+0.3	—	—	2.16	179.46	178.44	178.29	180.91	129.77	187.24 (24/9)	108.44 (16/3)	187.24 (24/9/71)	50.47 (15/7/65)
Property (31)	223.00	+0.6	2.74	36.44	2.22	221.60	221.19	221.83	223.66	157.38	226.72 (25/8)	139.37 (2/3)	226.72 (25/8/71)	56.01 (20/4/65)
Miscellaneous (9)	185.85	+0.5	5.56	17.99	4.05	184.30	183.65	180.99	185.02	—	185.25 (6/10)	120.73 (4/1)	185.25 (6/10/71)	120.06 (31/12/70)
ALL-SHARE INDEX (621 SHARES)	181.71	+0.2	—	—	3.40	181.41	179.25	179.51	181.25	145.39	187.32 (8/9)	129.47 (2/3)	187.32 (8/9/71)	83.72 (26/6/62)
COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
Rubbers (10)	245.81	+3.1	9.45	10.58	7.39	238.36	237.69	234.15	231.32	146.11	245.81 (6/10)	163.62 (7/4)	245.81 (6/10/71)	84.68 (25/8/65)
Teas (10)	99.72	+0.5	15.95	6.27	8.98	99.23	98.98	99.29	98.84	76.86	99.72 (6/10)	78.71 (3/3)	114.64 (14/5/64)	59.96 (14/11/66)
Coppers (4)	262.23	+0.9	67.70	1.48	18.84	259.94	255.54	250.30	247.05	289.02	350.50 (12/7)	235.80 (21/1)	350.50 (12/7/71)	94.08 (23/4/62)
Mining Finance (11)	78.66	+0.1	7.20	13.89	4.22	78.60	77.88	78.96	81.41	130.39	106.79 (7/7)	77.88 (4/10)	175.90 (28/4/69)	77.88 (4/10/71)
Tins (8)	70.53	—	11.25	8.89	8.71	70.50	70.20	70.75	70.73	63.34	74.77 (20/7)	62.11 (4/1)	108.97 (29/6/66)	54.83 (27/5/70)

FIXED INTEREST	Wednesday, Oct. 6 Index No.	Wednesday, Oct. 6 Yield %	Tuesday Oct. 5	Monday Oct. 4	Friday Oct. 1	Thurs. Sept. 30	Wed. Sept. 29	Tues. Sept. 28	Year ago (approx)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	8.62	8.58	8.58	8.65	8.69	8.57	8.57	9.22	—	—	—	—
20-yr. Govt. Stocks (6)	85.86	‡7.48	85.89	85.91	85.23	84.80	85.68	85.78	74.60	86.32 (27/9)	70.60 (4/1)	115.42 (11/9/63)	68.43 (16/6/70)
20-yr. Red. Debentures & Loans (15)	78.44	‡9.36	78.30	78.24	78.55	78.47	78.45	78.35	71.54	78.55 (1/10)	68.42 (4/1)	113.43 (23/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	75.94	9.75	75.53	74.87	74.80	74.60	74.60	74.60	70.34	75.94 (6/10)	66.23 (11/1)	114.41 (13/9/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	83.12	9.28	82.93	82.20	82.34	81.62	80.57	79.86	72.49	83.12 (8/10)	69.02 (13/1)	114.41 (7/10/63)	69.02 (13/1/71)

Section or Group	Base Date	Base Value
...od Manufacturing	29/12/67	114.13
...od Retailing	29/12/67	114.13
...surance Brokers	29/12/67	96.67
...ning Finance	29/12/67	100.00
...nes and Spirits	16/1/70	144.76
...ys and Games	16/1/70	135.72
...ice Equipment	16/1/70	162.74
...lustrial Group	31/12/70	128.20
...scellaneous Financial	31/12/70	128.06
...l Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGE: Seafield Amalgamated has been replaced by Kulim Group (Rubbers).

LEADERS AND LAGGARDS

...he following table shows the percentage changes* which have taken place since December 31, 1970, in the ...rincipal equity sections of the F.T.-Actuaries Share Indices. It also includes the F.T. Gold Mines index.

	% Change		% Change		% Change		% Change
...nks	+71.44	Stores	+43.72	Chemicals	+32.28	Oil	+13.94
...usehold Goods	+63.45	Food Manufacturing	+41.31	Electronics, Radio & TV	+31.94	Textiles	+13.90
...ntractg. & Construc.	+57.87	Property	+40.28	*500 Share Index*	+29.80	Tins	+13.83
...erchant Bks., Issuing Houses	+57.10	Discount Houses	+40.25	Insurance (Life)	+25.94	Packaging and Paper	+11.12
...ilding Materials	+56.05	Electricals (ex. Elect. Radio & TV)	+37.64	Tobacco	+21.94	Machine Tools	+ 8.59
...surance (Composite)	+51.71	*Consumer Goods (Durable) Group*	+37.04	Aircraft & C'mponents	+21.85	Coppers	+ 4.78
...surance (Brokers)	+49.38	Motors & Distributors	+36.97	Investment Trusts	+21.85	Shipping	+ 1.58
...od Retailing	+47.20	*Consumer Goods (Non-Durable) Group*	+34.36	Entertain. & Catering	+21.48	Gold Mines (FT)	—11.82
...re Purchase	+46.08	*Capital Goods Group*	+33.27	Office Equipment	+21.30	Mining Finance	—23.87
...wspprs. & Publish.	+45.09	*All-Share Index*	+33.13	Engineering	+21.05	Toys and Games	—30.01
...nancial Group	+45.02	*Industrial Group*	+32.95	Wines and Spirits	+16.52		
...eweries	+44.27			Teas	+16.26		
...bbers	+44.16						

*Percentage changes based on Tuesday, October 5, 1971, indices.

West African (5)

Amalgd. Tin Mines Nigeria (Hldgs.) (25p) 19 18½
Forum Extended (10p) 6
Jantar (12½p) 6φ 5

Diamond (73)

Anglo-American Inv. Tst. (R0.50) £15¼ ¼
Consd. African Selection Trust (25p) 182 3 1 ½ 80: 80
Consd. Diamond Mines S.W. Africa 7½p Pf. (R1) 40φ
De Beers Dfd. (Reg.) (R0.05) 183¼φ 5 3 2½ 80 4 2 1 6 78‡
Sea Diamond Cpn. (R0.10) 8

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 28	Oct. 11	Dec. 30	Jan. 11
Oct. 12	Oct. 25	Jan. 13	Jan. 25
Oct. 26	Nov. 8	Jan. 27	Feb. 8

Quiet conditions again prevailed yesterday in the Option market. "Calls" were taken out in British Leyland, Western Mining, Lex Services, Peachey Property, Fairfax Jersey, Furness Withy, "Casts," Irish Investment Trust, Shell Transport, Valor, Wimpey, Adepton convertible loan, Crosfields and Calthrop, Eastern and General, K. Shoes, Argyle Securities, Lonrho, East Driefontein, Elsburg, National Westminster warrants and Cons. Gold.

"Puts" were arranged in British Leyland, York Trailer and Lonrho, while "doubles" were completed in Rank Organisation "A," Courtaulds, First National Finance and Poseidon.

Prices in pence unless otherwise stated

Industrials						Mines	
A. P. Cement	18	G.U.S. "A"	22	Reed Intl.	22	Anglo Amer.	50
Barclays Bank	30	Guardian	14	Slater Walker	20	Broken Hill Prop	62
Beecham	18	Guest Keen	20	Tesco	5	Charter Cons.	22
Boots Drug	11	Hawker Sidd.	20	Thorn 'A'	25	Charterhall Fin.	4
Bowaters	15	Hay's Wharf	20	Tube Inv.	25	Cons. Gold	25
B.A.T.	20	House of Fraser	17	Unilever	20	De Beers Def.	13
British Leyland	3	I.C.I.	17	Utd Drapery	15	F. S. Geduld	52
British Oxygen	3	"Imps"	6	Vickers	7	Great Boulder	20
Burton "A"	15	I.C.L.	20	Woolworth	5	Hampton Areas	15
Butlin's	3	Int. Stores	7	Property		Hampton Props.	9
Cadbury's	7	Inveresk Paper	5	Cap Counties	9	Kloof	20
Cannon St.	6	Jessel Secs.	25	Land Securities	12	Lonrho	10
[illegible]	[illegible]	Legal & General	22	Peachey	9	Loraine	5
		Lloyds Bank	30	[illegible]	20	[illegible]	25

REGIONAL MARKETS

Prices in pence and denominations of 25p unless otherwise stated

Smith Group	63	—	Albany Inv. 20p	42	—	Yorks Spin 20p	15
Sunbeam	32½	—	Ash Spinning	28	—	**SCOTTISH EXCHANGES**	
Unidare	25	—	Belgrave M 20p	5	—		
W'ford Glass 5p	64	+1½	Bibby & Baron	39	—		
			Booth Chas. 10p	25	+3	Athol Pl'st'c 10p	11
			Brady (G.)	92	—	Brunton (M.)	92
MIDLANDS & WESTERN			Braime (T & J)	40	—	Clyde Paper	8
			Bridgw'r Est 50p	192½	—	Coltness Ind.	17
B'ham Post A	43	—	Brit. Nth'p (60p	37	—	Craig & Rose £1	182
Castings 10p	31	—	Bury Ring (20p	6¾	—	Dalm're Whyte	33
Clough (A) 5p	17½	—	Clover Croft	22	—3	Dykes	140
Dunn W.H. 10p	10½	—	Cromer Ring £1	52	—1	Galloway (J.)	10
Econa (10p)	33	—	Dyson R.A. 'A'	40	—	Hill & Wylie	30
Evans Frdk 10p	46	—	Ellenroad	39	—	Lees (JJ) (10p)	26
Evered	36xd	—	Eng. Nat Inv. £1	56	—	Mackinnon	77½
Fordham Hd 5p	70½	+½	Ern Ring	19	—	Morrison & G.	11¼
Frost & Reed 50p	100	—	Gandy	33	—	Richards (5p)	19
Gardiner £1	80	—	Gardner (L.)	177½	+5	Scotcros	34
Gordan J. S.	14½	—	Gaunt (Rid)	22½	—	United Wire	58 +2

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Imp. Chem. Inds.	£1	14	314	— 2	335	230
Mercantile Credit	25p	12	211	+16	230	140
Nat. Westminster	£1	12	564	+ 8	630	323¾
Rio Tinto-Zinc	25p	12	188	+ 2	270	184
Assoc. P. Cement	£1	11	375	+ 7½	383	228¾
Charter Consd.	25p	11	181	— 2	271	178
Dwty 7pc Cv. 86-91	£100	11	£106½	— ½	£110	£105½
Lonrho	25p	11	62	— 3	113	48
Thorn Elect. "A"	25p	11	435	— 2	450	256
Barclays Bank	£1	10	574	+ 6	622	327½
Barclay Secs.	10p	9	159	+ 7	165	69¾
Boots	25p	9	207	— 3	224	130
Burmah Oil	£1	9	427	— 3	477	297½
Cons. Gold Field	25p	9	180	+ 2	285	168
Unilever	25p	9	308	—	340	215

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.

Padang Jawa (10p) 65
Panawatte Tea Rbr. Ests. 22
Pataling (10p) 44½
Patani Para Plantns. Stk. (10p) 16½φ
Plantation Hldgs. (10p) 27‡. 20pcUns. Ln. 134‡φ
Rembia (5p) 3¼
Seafield Amaltd. (10p) 55¼φ 8 7½ ½‡
Straits (10p) 18½φ 19φ ¾
Supara Invests. Stk. (10p) 19
United Rubr. Coffee Plantns. (1932) (5p) 4¼

SHIPPING (92)

Anglo Norness 6¼pcLn. 70φ
Brit. Commonwealth (50p) 224
Caledonia Invsts. (25p) 212. 5pcBPf. 48½
Court Line (25p) 187φ 9φ 8φ 5φ 90φ 80φ 2φ 6φ 4 2 7 79½ 83 4 1 6 5. 11pcLn. 1990-95 104¼
Furness Withy 332φ 5φ 6φ 6 4 7 3 4 39
Hunting Gibson 157φ 7
London Overseas Freighters (25p) 55¼φ ¼φ 5 ¼ ½ ¾
Lyle Shpg. (25p) 84 ½
Manchester Liners (20p) 64φ
Ocean Steam Ship (25p) 101½ 1 100‡
Peninsular Oriental Dfd. 145φ ½ 5 4½ 6 4‡ 40
Runciman (Walter) (50p) 248φ
Sheam (50p) 196φ 200 198 5 203

Planet Gold 5
Pan Continental 25
Philip Morris $US65¼
Rinascenti (La) 21
Remgro 95φ
Repico Ord. 86
Steel Co. of Canada £11¼φ
Sedimentary Uranium 3φ
Selcast 64φ
Silver Valley Minerals 10
Tara Ex. 654φ 61
Tokyo Marine and Fire Insurance $US 1.24¼φ 5φ
Timor Oil 12½ 13
Unilever (Fl.20) 16⅛
Voltan Minerals 30φ
Whim Creek 146φ 38 7 4
Westmex 9φ 8½ 9
Woodside Ex. 44 5 40 2 3
Western Compass 5
Wheelock Marden 166 4
Woolworth Holdings A 160

(By permission of the Stock Exchange Council)

CORAL INDEX
Close 410-415

ERRATA

Bowyers (Wiltshire) Ord. 156 should have ...

NEW "HIGHS" AND "LOWS" FOR 1971

NEW "HIGHS" (153)

NEW "LOWS" (21)

AMERICANS (1)
Kaiser Aluminum

CANADIANS (2)
White Pass — Abitibi

ENGINEERING (2)
Coley-Rotolin — Rotherham-Tinsley

INDUSTRIALS (2)
Broken Hill Prop. — Wedgwood (J.)

MINES (14)

W.R.I.T.	Peko-Wallsend
Geduld Invst.	Westmex
Broken Hill South	Western Mining
Grt. Boulder	Geevor
Metals Explrn.	Esperanza
New Broken Hill	Charterhall Finance
North Kalgurli	Northgate Explrn.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	17	17	14
Corps., Dom. and Foreign Bonds	16	10	107
Industrials	444	275	1,004
Financial & Prop.	200	49	295
Oils	7	7	16
Plantations	22	9	57
Mines	20	42	116
Recent Issues	15	7	88
Totals	741	416	1,697

Davies refutes 'callous over jobless' jibe

BY JOHN HUNT

MR. JOHN DAVIES, Secretary for Trade and Industry, yesterday hit back at Mr. Jack Jones, General Secretary of the Transport and General Workers' Union, who had accused him and the Government of "callous" unconcern over the record level of unemployment.

Without mentioning Mr. Jones by name but obviously stung by his remarks, Mr. Davies indignantly refuted the charge when he spoke in London at a luncheon given by the Newspaper Society.

"I speak with very deep knowledge of the confrontation of the Government with this dreadful problem, this intractable problem," he said.

"I view with indignation the charges that the Government is unconcerned. That seems to me the most senseless and most baseless kind of contribution.

"It is an extremely difficult problem with which the Government is faced. To imagine that a Government could be callously indifferent has to my mind an element of ridicule."

Economy boost

He listed the Government's recent measures to boost the economy, and said: "These are obviously not signs of callousness or indifference. They are very far from it.

"But they don't take effect in three or four months and to suppose that they do is totally to misunderstand the situation."

Mr. Davies stressed that it was a problem which had been inherited from the Labour Government. Unemployment had started to accelerate in 1966 when measures were introduced to prevent the overheating of the economy. The implications for unemployment had been evident for anyone to see. It was necessary to take into account the time lag where such factors were concerned.

"I want to make it clear beyond doubt that those who suggest that the Government has done nothing about reducing unemployment are acting both cynically and dishonestly," he went on. "We have done a very great deal to tackle the problem and we shall continue to do so."

There had been massive steps to stimulate demand and investment. Tax reductions would amount to £1,100m. this year and £1,400m. next. Hire purchase controls had gone, bank lending ceilings had been replaced and Bank Rate at 5 per cent. was the lowest for nearly seven years. Financial help totalling £160m. would be going to the development areas.

Bright signs

Meanwhile there were encouraging signs. The July and August trade figures showed that retail sales were growing, with sharp increases in durables. In the same months registration of new cars was about one-quarter higher than the rate in the second quarter. Housing starts were up in the private sector and exports were increasing.

By taking investment decisions now when there was capacity to spare and deliveries were short, companies could get into a good position for exploiting opportunities for the expansion that was on the way. The case for positive investment decisions would be even greater when Britain joined the EEC.

He thought Market entry would lead to greater North American and European investment in Britain, and he denied that Britain would not be able to decide its own regional policy within the EEC.

"The study I have made of regional policy and the Community leads me to believe that membership will strongly reinforce and help our regional policies and not undermine them," he declared. "There is little evidence on which to suppose that the reverse will be the case."

Secrets Act section 'bad'—Press Council

SECTION 2 of the Official Secrets Act 1911 is a "bad piece of legislation upon what should be the legitimate communication of news of public interest," says the Press Council in a memorandum to the Franks Committee released yesterday.

The council proposes it should be abolished in its entirety and nothing put in its place.

The Committee of Inquiry into the operation of Section 2, which was appointed by the Home Secretary, Mr. Maudling, is under the chairmanship of Lord Franks and is broadly representative of all political parties, broadcasting, and the Press, and men with high-level experience on the official side of Government.

After suggesting the abolition of the section, the council says that alternatively if anything is put in its place, it should be legislation to ensure with a degree of certainty always lacking in the original section, that matters detrimental to the security of the nation as opposed to the interests of the Government of the day, should not be made public.

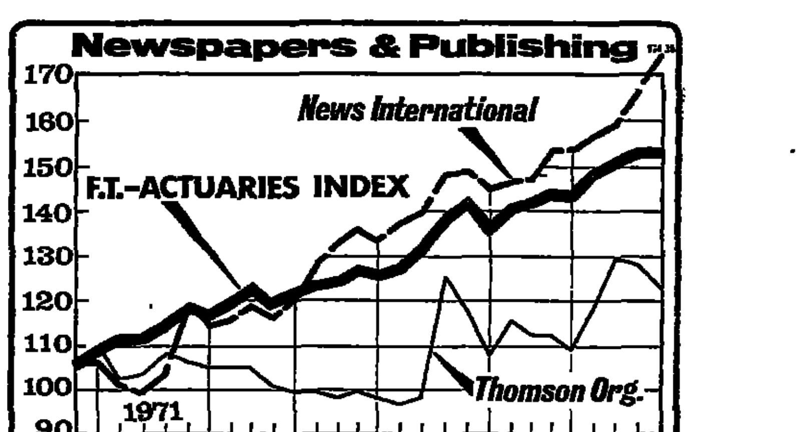
As far as possible, what is put in the place of Section 2 should be carefully defined and based upon a far narrower security classification.

The burden of proof that conduct giving rise to a charge under the Act was, or should have reasonably been expected to have been detrimental to the security of the nation, should be borne by the prosecution.

Proceedings under any section ofthe Act should be instituted by the Director of Public Prosecutions rather than the office of the Attorney General.

The council said the section casts a shadow of fear over many Whitehall departments with the result that officials too readily deny legitimate inquirers access to information the public should have

"The few brave exceptions who find ways of helping journalists in their inquiries increase the uncertainties of the act."



Despite warnings from the Newspaper and Publishing industry that costs are continuing to rise, the F.T.-Actuaries share index for the subsection has performed well so far this year with a rise of 45 per cent. This, in part, reflects recent price increases in newspapers and periodicals, but also owes much to the rationalisation that has taken place.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

SHARE INFORMATION SERVICE: NOTES

The following Notes relate to Share Information Service:—

Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on middle prices.

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

* Highs and lows marked thus have been adjusted to allow for rights issues for cash.

† Interim (or quarterly) since increased or resumed.

... dividend passed or deferred. c Canadian. E Figures based on prospectus or other official estimates for 1971-72. F Figures based on prospectus or other official estimates for 1970. G Assumed dividends and yield after pending scrip and/or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1972. M Figures based on prospectus or other official estimates for 1970-71. N Equivalent rate before additional capital was paid up. P Figures based on prospectus or other official estimates for 1971. R Yields based on 1967 payments.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	1971 Low	Stock	Closing Price £	+ or —	Gr'ss Y'ld Inter'st £	Redemption £
		"Shorts" (Lives up to Five Years)				
100[illegible]	98[illegible]	Conv. 6pc 1972	100[illegible]	......	5.97	4.56
99[illegible]	96⅛	Gas 4pc 69-72	99[illegible]	......	4.03	4.86
101[illegible]	95[illegible]	Exchequer 6¼pc 1972	101[illegible]	......	6.17	4.79
102[illegible]	95[illegible]	Exchequer 6¾pc 1973	101[illegible]	......	6.69	5.14
97⅜	92⅝	Electric 3pc '68-73	97[illegible]	......	3.08	4.98
97[illegible]	92⅝	Transport 3pc '68-73	97[illegible]	......	3.08	4.98
99[illegible]	99¼	Treas. 5¼% 1973	99[illegible]	+[illegible]	5.27	5.42
98¼	95⅞	Conv. 5¾pc 1974	98¼	+[illegible]	6.34	5.96
98[illegible]	98[illegible]	Treas. 5½% 1974	98[illegible]	+[illegible]	5.57	5.95
102⅛	96[illegible]	Treasury 6¾pc 1974	102½	+[illegible]	6.61	5.99
91[illegible]	84[illegible]	Savings 3pc '65-75	91[illegible]	+[illegible]	3.27	5.39
99[illegible]	98[illegible]	Treas. 6% 1975	99[illegible]	+⅛	6.03	6.14
100⅝	95[illegible]	Exch. 6½pc 1976	100⅝	+⅛	6.47	6.33
100[illegible]	95[illegible]	Treasury 6½pc 1976	100[illegible]	+[illegible]	6.47	6.34
100	94⅝	Victory 4pc 1976	97½	......	4.10	5.10
		Five to Fifteen Years				
94[illegible]	97¼	Funding 4pc '60-90	97⅛ xd	—⅛	4.10	6.00
99½	93	Treas. 6½% 1977	99½	......	6.30	6.44
89¼	80	Electric 3pc 1974-77	89⅛ xd	+⅛	3.37	5.37
90⅜	81	Transport 4pc '72-77	90⅜	+⅛	4.48	6.12
92½	82⅝	Exchequer 6pc '76-78	91⅝	+¼	6.46	6.54
87⅜	75⅜	Electric 4¼pc '74-79	87⅜	+¼	4.87	6.31
84⅝	70[illegible]	Do. 3½pc '76-79	84⅝	+¼	4.20	6.16
83¾	69⅛	Treasury 3½pc '77-80	83⅝	—⅛	4.25	6.16
92⅝	76⅞	Funding 5¼pc '78-80	92½	+⅛	5.78	6.64
81⅝	67[illegible]	Treasury 3½pc '79-81	81¼	......	4.33	6.24
107¼	92⅜	Do. 8¼pc '80-82	106¾	......	8.11	7.69
88⅜	71	Funding 5½pc '82-84	88⅝	+⅛	6.32	7.08
105	90¼	Treasury 8¾pc '84-86	104⅝	......	8.29	8.16
		Over Fifteen Years				
89⅞	76	Funding 6½pc '85-87	87⅜ xd	......	7.40	7.87
65	47⅝	Transport 3pc '78-88	62⅞	......	4.83	6.83

CANADIANS

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times Covered	Gross Yield pc
440	270	Abitibi Paper	270	—70	—	—	—
832	700	Bk. Montreal ($2)	816	+5	75c	—	3.8
£141½	£101½	Bk. Nova Scot.($2)	£141⅛ xd	+⅛	84c	—	2.5
£14¾	750	Bow Valley	£14⅛	......	5c	—	—
£10⅛	765	Brascan	904	—6	$1.0	—	4.6
373	285	B.P. Oil & Gas	337	+7	—	—	—
£13¾	943¾	Can. Imp. Bk. ($2)	£11¾ xd	......	69c	—	2.4
715	611	Can. Pacific ($5)	670	—5	65c	—	4.0
125	85¾	4pc N. Cum. P. ($5)	100½	+1½	4	—	5.0
£44	£37½	4pc Deb. £100)	£43	......	4	—	9.8
620	290	Cons. Bathurst	315	+10	$1	—	13.2
£13¼	£10	Gulf Oil Can.	£12¾	+⅛	57½c	—	1.9
155	100	Hawker Sid. Can.	120	+5	—	—	—
£21	£17⅛	Hollinger ($5)	£17½	......	$1.20	—	2.8
£10¼	736	Hudson's Bay	890	......	52c	—	2.4
£24⅛	£18⅛	Hud. B. Oil G.($2½)	£22½	......	50c	—	0.9
£15	765	Imasco	915	......	80c	—	3.6
£15¼	920	Imperial Oil	£15¼	+¼	52½c	—	1.5
670	523	Int. Nat. Gas $1	685	+10	50c	—	3.6
£22[illegible]	£15[illegible]	Int. Nickel	£15[illegible]	—[illegible]	$1.50	—	4.0
645	430	Massey Ferg.	560	......	$1	—	1
£17⅞	£13½	Pacific Petrol ($1)	£16¾	—⅜	30c	—	0.7
80	54	Place Gas ($1)	60	......	—	—	—
£11	786	Rio Algom	720	—15	40c	—	2.3
£15[illegible]	£11[illegible]	Royal Bk. Can. ($2)	£13¼	—¼	86c	—	2.7
145	95	Steep Rock ($1)	100	......	15c	—	6.2
£15¾	945	Tor. Dom. Bk. ($2)	£12¾ xd	......	68c	—	2.3
£13¼	£14¾	Trans. Can. Pipe $1	£17¾	+⅛	$1	—	2.3
£13½	£10⅝	Westcoast	£12¼	+⅛	50c	—	1.7
800	420	White Pass	480	—10	25c	—	2.2

S.E. List Premium 26% (based on $2.6105 per £)

BANKS AND HIRE PURCHASE

†† Banks, etc.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—General—Cont'd

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

S.E. List Premium 26% (based on $2.6105 per £)

"Recent Issues" and "Rights" Page 25

INDUSTRIAL (Miscell.)—Continued

[illegible]

INSURANCE

[illegible]

MACHINE TOOLS

[illegible]

MOTOR, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Aircraft

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

STEELS

[illegible]

TEXTILES—GENERAL

[illegible]

TEXTILES—WOOL

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

UTILITIES

[illegible]

OILS

[illegible]

RUBBERS—MALAYSIAN

[illegible]

RUBBERS—MISCELLANEOUS

[illegible]

SISAL

[illegible]

TEAS

India and Pakistan

[illegible]

TEAS—Continued

India and Pakistan (cont.)

[illegible]

Ceylon

[illegible]

MINES—CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND

[illegible]

PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIANS

[illegible]

TIN—EASTERN

[illegible]

TIN—NIGERIAN

[illegible]

TIN—MISCELLANEOUS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index fell 0.5 to 412.1

Freemans comes through at last

Having eaten humble pie after missing two forecasts running, Freemans decided to play it safe in the last report; yet the long-awaited recovery is at last showing through, with profits of £1.40m. before tax for the first 6½ months, against £0.94m. The savings from the warehouse move to Peterborough are clearly evident—after all, the number of employees dropped almost a fifth last year as duplication was eliminated. Pre-tax margins have moved above 6 per cent., admittedly no great shakes compared to the 8 to 11 per cent. of Empire Stores and Grattan, but still a distinct improvement. The only thing missing is evidence of a sizeable volume gain: as it stands, Freemans has only pushed up *first-half* sales 7 per cent. in three years, implying a fairly serious volume shortfall.

The excuse here, of course, is the postal strike. The period took in five weeks of the stoppage, and although there was a huge boom in the post-strike weeks up to Easter, and sales at half the normal rate were achieved during the strike itself, there must have been some loss. Even so, it will be interesting to compare the sales performances of Grattan and Empire next week, given that Freemans ought to have been feeling increasing benefit from the agent recruitment drive of 1970. As it stands, the group should find it easy enough to reach £3m. pre-tax for the year, taking earnings from 6.7p to 8.5p a share. There is further margin recovery potential to underpin a prospective p/e of 19.5 at 167p, and also the thought that after the exit of Myers, Freeman is the industry's obvious takeover candidate.

See also Page 26

Tyre Talk

The collapse of the mooted Brown Bros. Albany/Standard Tyre merger did the usual things to share prices yesterday—BBA gaining 14½p to 192½p and Standard losing *10½p to 167½p* — although BBA exaggerated the effect with a profits forecast of £2.35m. before tax and interest for 1971. The growth rate is ½m. implying a second half acceleration, earnings of 10.2p fully diluted and a prospective p/e of 18.9. The question that remains is why Avon Rubber, having fallen on the original merger announcement, gained 12p to 321p yesterday: perhaps BBA is still looking around, following two abortive merger exercises in the past six months, but integrating back from distribution into manufacturing would hardly improve the quality of BEA's earnings.

See also Page 25

United Builders

The object of the United Builders Merchants takeover of Mercian was spelt out clearly last June, when UBM produced profits of £2.55m. pre-tax from sales of £46.7m. and Mercian £300,000 from £32m.—margins of 5½ per cent. and 1 per cent. respectively. The upshot, or part of it, is first half figures from the two combined with *sales slightly lower at £37¼m.* (reflecting growth at UBM masked by the elimination of uneconomic Mercian turnover) and profits up from £1.28m. to £1.81m. before tax.

UBM's latest acquisition, via the proposed bid for Rycroft (Bradford), is a different kettle of fish. Mercian was a lot of turnover (in some cases too much) in the Midlands and North without a central warehousing system. Rycroft has that, a good reputation and reasonable profit margins which UBM still thinks it can improve with better throughput—for example, by servicing some of the Mercian outlets. So there may be no explosive growth in Rycroft, but UBM has all that it needs in the short term with profits (ex Rycroft) heading for £4m. against £2.85m. to produce earnings of just under 8p a share and a p/e of 15.9 at 127p.

See also Page 27

Wilmot-Breeden

Wilmot-Breeden's recent record has been a matter of U.K. swings and overseas *roundabouts, adding up to* overall stagnation, but this year it looks as though the upturn in the home market will be allowed to come through to profits. In fact the prices squeeze on the French car industry is making itself felt in the group's important French subsidiary, but earnings there should be more or less maintained. So after six months Wilmot is 25 per cent. up at the pre-tax level with £1.39m. and if the motor industry stays *reasonably trouble-free the rate* of progress should be maintained making £2.75m. for the year.

The absence of strikes apart, Wilmot has several factors on its side—fewer new model changeovers, for example, and a successful new car in the Marina which incorporates a good ratio of group components. Earnings should rise from 4.6p to at least 6.4p a share, taking the prospective p/e down to 12.2 at 79p. Yet the upside scope looks limited. There is some growth potential in such items as steering column locks, more expensive anti-burst door locks and other safety components, but the impact is unlikely to be great. On the down side the labour troubles of the motor industry have hardly been cured, even if they are less pressing for the moment.

See also Page 25

Bunzl

Bunzl forecast lower 1971 profits last May but yesterday's interim statement updates that to an indication of £5.4m. against £5.5m. pre-tax. Given Bunzl's past conservatism this could mean no setback to speak of at the year end, which in relative terms is bullish. After all, Bunzl and Biach in Austria, hit by the world paper depression, can hardly be doing better than break even against the £250,000 it put into the 1970 accounts; meanwhile the U.K. filter market had to stand the reaction to the Royal College of Physicians' report on smoking —*a drop of 15 to 20 per cent.* in sales last January tailing off to a 2 per cent. decline by mid-year. The suggestion, then, is that things could improve in 1972; but the shares, at 90p for a p/e of 8.7 on prospective 1971 earnings of 10.2p a share, are certainly not counting on it.

See also Page 27

Lombard

The real danger to world's health

BY C. GORDON TETHER

IT IS *the standard thing* when a country kicks over the traces in the way America has done of late to try to make it see the error of its ways by drawing frightening pictures of the likely consequences of its action for the economic well-being of the world as a whole. Unfortunately, it would be unwise on this account to dismiss as propagandistic overstatement the warnings about the global implications of the Nixon new deal with which the U.S. is *now being bombarded.*

For the American cold douche has come at a time when the international economic climate was already cooling off at a most disquieting rate. And it will be far less easy, therefore, for the world to take it in its stride than it would have been in the ordinary way.

In the three years to the end of 1970, world trade recorded an average annual expansion of around 10 per cent. in real terms. But in the first three months of this year the rate dropped to 7 per cent and by the second quarter it was down to 5 per cent.

Stagnating

Fluctuations of this kind *are*, of course, apt to take place from time to time as the world pauses for breath after a long period of sustained expansion; and they are not necessarily, therefore, anything to worry about. But it is *pretty clear that on this occasion* the decline in tempo reflects a widespread falling off in economic activity in the international power house — the affluent world — and one that stems, moreover, from factors *that may well be of more than* temporary significance.

The difficulties the U.S. has been experiencing in reversing the recession trends that developed as a result of the 1969-70 all-out attack on inflation have *been well publicised:* And the steady growth of unemployment in the U.K. has highlighted the continuing tendency for the British economy to remain close to a standstill.

What is not generally realised is *that, one by one, pretty well* all the other major industrial countries have added their names to the stagnation list. The result is that at the moment there is hardly a single one in which output is showing any significant *expansion* and quite *a number* where it has actually turned downwards.

Mistaken

Such a situation has almost never arisen previously in the period since the world became economic advancement-minded after the end of World War II. And what makes it the more worrying is that in most countries the present stagnation is evidently rooted in factors other than the need periodically to enforce a temporary halt to deal with over-heating problems.

Like Britain and the U.S., many countries have made the mistake of trying to combat the cost-push *inflation phenomenon* with demand-pull inflation remedies. And, as in these two countries, this has tended to undermine their economic well-being in a double sense.

For it has not only had the *effect* of preventing demand keeping pace with the growth of production potential, thereby giving rise to an ever-increasing margin of unused capacity. It has also allowed the fashionable form of inflation to continue to wax—the IMF recently reported that consumer prices were *rising* faster in the majority of industrial countries in the second quarter of the year. So it has done nothing to remove the uncertainties surrounding the economic outlook that have been causing business communities all over the world to make caution their watchword.

retaliation

It is true that many countries have now realised their mistake and are feeling their way towards incomes policy treatment for wages inflation—the U.S. is, of course, the outstanding example but many similar conversions have occurred elsewhere. But as the delay has resulted in the wages-prices spiral developing built-in characteristics almost everywhere, it could take some time to correct the powerful adverse side effects it has had on economic progress.

In these circumstances, the threat to the world's economic health posed by Mr. Nixon's "America must come first policy" can hardly be exaggerated. If no settlement can be reached before other countries decide that they have to retaliate—and the British statement on the damage the U.S. measures will directly inflict on our export trade shows how inevitable this is in the absence of a toning down of the U.S. programme—it will take on an even more lethal look.

Labour committed to thrash out new economic policy

BY JOHN ELLIOTT, LABOUR EDITOR

BRIGHTON, Oct. 6.

THE LABOUR Party to-day committed itself to thrash out a new economic policy after its annual conference had been told in forthright terms by Mr. Roy Jenkins that the policy should be one "which will not merely be a form of words to get us over the General Election but which will stand up to the pressures of office."

Despite his adherence to the unpopular pro-Common Market line, Mr. Jenkins, who called for a "spirit of adventure and a high degree of self-discipline" to solve future problems, was well received by the conference delegates. Many of them said later that they detected a more sincere and practical approach to the Labour movement's problems than they sometimes heard from other of their leaders.

Both Mr. Jenkins, speaking at the end of a debate on the economy, and Mrs. Barbara Castle, at the beginning, gave union leaders like Mr. Hugh Scanlon, of the engineers, the assurances they required that there was no thought of returning to old-style wage restraint.

Indeed, Mr. Jenkins went further than some had expected when he referred to the period which started with the 1966 wage freeze and said: "I have no desire to go over that bit of stony ground again. It produced great dispute within the movement, and its results, while by no means negligible . . . were not such as to begin to suggest that we had found the key to a long-term solution."

Echoing speeches made here in the past few days by leaders such as Mr. Wilson and Mr. Jack Jones, of the Transport Workers, Mr. Jenkins called for talks to begin between the politicians and unions "on the basis that none of us wants a return to the past." He accepted the need for any agreement to be "compatible with collective bargaining" but went further by saying that the talks "should be within the framework of a renewed and determined drive—and we have flagged too much in this respect recently—towards greater social equality."

Alternative to Act

It is thought that the talks, which will embrace an alternative to the Industrial Relations Act as well as a new economic policy, should start by the turn of the year. They will be largely based on the economic document, *Economic Strategy, Growth and Unemployment*, which the conference debated to-day.

But despite the atmosphere of unity which is dominating the conference this week—boosted by an undercurrent of willingness to re-examine some of the party's basic policies and to make some progress towards "industrial democracy"—few people seem to have much idea of what might emerge.

Certainly the basis will be "full employment"—less than 500,000 out of work—together with economic growth, price controls, more nationalisation, and other points already reported from the document.

On the financial side, both Mr. Jenkins and Mrs. Castle (who was speaking on her 60th birthday but who failed to rouse the conference with her remarks) showed themselves more in favour of devaluation than deflation. Mr. Jenkins, for example, said: "We should never again allow ourselves to be the prisoner of rigid over-valued exchange rate and a currency which is a national status symbol and not an instrument of economic management."

During his speech, Mr. Jenkins made outright attacks on the *present Government for what he* described as "the most abject betrayal of election promises in modern British history" with its "price fraud" and the loss of 600,000 jobs since last year's election.

But he was also critical of the last Labour Government's record when he made remarks which some observers regarded as an indirect attack on Mr. Wilson's leadership. He said that under both parties in the past ten years "the electorate have expected more than was delivered." He feared these years might go down in history as "the age of the politics of disillusion."

It was in this context that he called for "a spirit of adventure and a high degree of self-discipline." The spirit of adventure was needed for the party to know "where we are going" and the self-discipline "to ensure that our proposals are practical and that we can deliver what we say we will."

Broadening his theme, Mr. *Jenkins stressed that economic* policy should not be regarded as an end in itself. He thought it might already have been put "upon too high a pedestal," but now it should be regarded "as only a means to secure a better *and more worthwhile life,*" *so* that it did not "turn sour in our mouths."

These were the types of remarks union leaders, determined that their talks with Labour politicians should range far wider than just prices and wages, wanted to hear.

The theme of industrial democracy and workers' control, which has recurred throughout the last few days as a basis on which the party could advance, was itself put on a pedestal to-day by the conference delegates, who first gave Upper Clyde Shipbuilders' shop stewards a standing ovation when they appeared in the conference hall and then accorded Mr. Anthony Wedgwood Benn one of the best receptions of the week after he had made a speech which included a call for "the people to be unleashed" so that they could control the effects of increased technology.

At a Tribune meeting to-night, a jubilant Mr. Michael Foot hailed the conference decisions on economic policy as "a substantial move towards the Left."

Mortgage rate talks to-morrow

BY SANDY McLACHLAN

AN ANNOUNCEMENT of lower mortgage rates is likely to follow to-morrow's meeting of the council of the Building Societies Association.

The probable outcome of the meeting is that the BSA *recommended rate* to borrowers will come down from 8½ per cent. to 8 per cent., and at the same time the rate to investors will be reduced from 5 per cent. to 4¾ per cent

However, both the question of *a reduction in rates* and the question of the extent of any reduction will be hotly debated. Opinion is divided on both points among the 34 members of the council who will make the decision, so even at this stage the *matter is not* a foregone conclusion.

Near certainty

Some sort of reduction, though, is a near certainty. The mortgage rate was last reduced in 1963—from 6½ per cent. to 6 per cent.—and since then it has been increased four times. The lending rate went to 8½ per cent. after Bank Rate was raised to 8 per cent., and it has been maintained at this level in spite of the gradual reduction in Bank rate to the present level of 5 per cent.

Immediately following the one point reduction in Bank rate early last month the chairman of the BSA, Mr. Stanley Morton of the Abbey National Building Society, was optimistic about a reduction in the mortgage rate.

At that time he mirrored the feelings of most senior men in the movement, but in the intervening weeks there has been a growing feeling that the inevitable consequence—a reduction in the rate offered to investors—might have an adverse effect on the flow of money into the movement at a time when societies are having little difficulty in maintaining record lending levels.

At the same time there is a feeling that anything less than a ½ per cent. reduction in the lending rate would hardly be worthwhile. Therefore some of the impact of a lower rate is likely to be absorbed by a reduction in building society margins, so the rate to investors will only fall by ¼ per cent. against a reduction of ½ per cent. in the rate charged to borrowers.

Inevitably this carries its own problems. The margin between lending and borrowing rates has to absorb costs of operation and advertising, plus transfers to reserves. With rapidly increasing costs, margins are already under pressure, and a voluntary narrowing of margins by societies might prove embarrassing in the future if the rate of cost increases cannot be contained.

One solution being canvassed by some societies is that of "shading" rates. The argument here is that with the spread of computerisation there is nothing to prevent the rates being moved in decimal points instead of the traditional fractions. This would allow finer tuning of the rates.

However it seems that, this time at least, the more traditional practice will prevail if only because most societies believe their members are more familiar with it.

For most people anyway, there will be a time lag between the announcement of any reduction in the rates and their coming into effect. The majority of societies give several months' notice of any change to their existing members before applying the new rates.

Decision on BEA cheap fares plan adjourned until November

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH European Airways' plan to cut normal tourist air fares in Europe by up to 50 per cent. has failed to win agreement at the *Miami fares conference of the* International Air Transport Association.

That part of the conference dealing with European, Middle East and African fares, therefore —known as Traffic Conference Two—has been recessed to give time for further consideration of the issue, and will be reconvened at a different place some time in November.

In the meantime, the rest of the Miami conference, relating to fares throughout the rest of the world, is continuing, and is not due to end before about October 20.

Reports reaching London from the Miami conference—which has been closed to the Press—indicate that the BEA fares plan ran into exceptionally tough opposition from the other major *airlines in Western Europe.*

So difficult did conditions become that it was apparent last week that there was little hope of agreement at Miami, and accordingly it was decided to recess that part of the overall *Miami fares meeting.*

Before a new date and place for European fares talks is settled, it is expected that the chairmen and chief executives of the major European airlines will have unilateral discussions among *themselves in a bid to smooth* out the differences that have arisen.

The differences basically centre on the fact that while most other major European airlines are ready to see some extension of cheap promotional fares, they do not want to go quite as far as *BEA's sweeping proposals. Some* of them even want to see fares increases on many routes in a bid to fight rising costs.

BEA itself was adamant at the Miami meeting, however, that its own plan for cuts of up to 50 per cent. on an "advanced purchase" basis was the only way in which traffic could be stimulated, aeroplanes could be filled, and airlines' balance sheets put back into the black.

The difference of view, in fact, was believed to be so wide as to *be almost completely* unbridgeable in the present climate. It was for this reason that the talks on European fares were adjourned.

Continued from Page 1

UCS men stand firm

The DTI spokesman added that Mr. Davies' statement reflected directly the discussions he had had with Mr. Dan McGarvey, president of the Boilermakers' Amalgamation, and Mr. Jack Service, general secretary of the Confederation of Shipbuilding and Engineering Unions. "Shop stewards cannot possibly know first-hand because they were not in at the meeting."

Meanwhile, it is worth considering the attitude of the shipowners who have suspended orders for 14 ships with UCS and which have not yet been commenced. It is, perhaps, misleading that the main publicity *yesterday focused upon Irish* Shipping—which has orders worth about £13m. with UCS for four 26,000-ton bulk carriers—because this shipowner is probbaly the most sympathetic towards UCS troubles.

Also, Irish Shipping has no charters arranged for the ships and regards the orders as part of *a long-term programme.* Some of the other shipowners—including Cardigan, Haverton, Reardon Smith and Lyle Shipping—may be less inclined to renegotiate the orders unless discussions take place quickly.

Even *Irish Shipping believes* that "time is beginning to become a serious factor," according to Mr. William O'Neill, the assistant general manager. "We are pressing for a prompt answer. We want work to commence on the ships as soon as possible. We don't care if the new Upper Clyde company comes into existence officially in three or six months' time so long as *work begins very quickly on* the ships."

The Irish Shipping vessels originally were scheduled for delivery from June, 1972, through to March, 1973. The company is prepared to concede some leeway on these dates but wants the ships to be built at the contracted prices.

But even from this company—UCS's most loyal potential customer—came a warning note. Mr. O'Neill pointed out that many ships ordered early last year throughout the world were placed during a shipping freight boom. World shipping is now experiencing a slump and a number of shipowners with bulk carriers on the stocks without ready employment are willing to sell them.

"A number of ships under *construction—including bulk carriers of the size we want—are on offer throughout the world,*" said Mr. O'Neill. If necessary, Irish Shipping could obtain its vessels elsewhere, possibly with similar or earlier delivery and also, possibly, more *cheaply. Similar* thoughts must have occurred to some of the other shipowner customers of UCS, some of whom might not be too unhappy to see their contracts cancelled.

Irish Shipping, however, has already gone a long way towards the ships being built on the Upper Clyde since Kincaid—subcontractors to UCS—the Clyde engine builders, have already nearly completed one B and W diesel engine for the ships and a second is programmed.

Melchett gives up daily control

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

LORD MELCHETT, chairman of the British Steel Corporation, has handed over responsibility for the day-to-day running of the BSC operation to Dr. H. M. Finniston, the present deputy chairman in charge of operations, who has been appointed chief executive.

The change, which will leave Lord Melchett free to concentrate on policy-making and relations with the Government, forms part of a major restructuring of the nationalised steel undertaking's top management.

Lord Melchett's decision to hand over some of his responsibilities to Dr. Finniston has clearly been forced on him by the pressure of work involved in running the third largest steel producing organisation in the world—and one which has been bedevilled by financial problems. A start to the changeover was made in April.

In future, Lord Melchett will concentrate on the initiation and development of policy, external relations, future planning, the provision of finance and financial policy.

At the moment he is involved in discussions with the Government on the overall problem of the industry's capital structure, against the background of losses which will probably reach £100m. this year, and a continuing restriction on price increases.

Lord Melchett is also handling the BSC's case for investing £4,000m. in the industry over the period 1972-81, as part of the Government's deep-seated review *of the State steel concern.*

The corporation's head office staff organisation will now consist of a corporate office, directly under the control of the chairman, and an operating organisation under the chief *executive.*

As part of its reorganisation, BSC also announced the promotion to managing director of six directors. Some of these changes take effect immediately and others will become effective not later than April 2, next year, the start of the BSC's next financial year.

The promotions involve the formation of six functional divisions within Dr. Finniston's operating organisation. Mr. D. G. S. Waterstone, 36, the BSC's director of international affairs and a former senior executive of the Industrial Reorganisation Corporation, will become managing director of the commercial division.

Mr. R. Scholey, 49, director of the steelworks group of the BSC's special steels division, will become managing director of the corporation's operations division.

Mr. L. R. P. Pugh, already a managing director, will take over as managing director of a new supplies and transport division, which has been formed by splitting the existing operations and supplies division.

Mr. Kenneth Robinson, the former Labour Minister of Health and Minister or Planning and Land, has been promoted from director of social policy to managing director of a personnel and social policy division.

The BSC's technical division in the operating organisation will have Mr. C. E. H. Morris as managing director.

The organisation of the BSC's existing six product divisions is unaffected by the changes announced yesterday, but Mr. N. P. Bromiley, commercial director of the corporation's general steels division will take over from Mr. H. P. Forder as managing director of the special steels division on his retirement next June.

The head office staff units with the corporate office led by Lord Melchett, will be as follows:

Corporate administration, under Mr. R. W. Roseveare, BSC's secretary; BSC International, under the chairmanship of Mr. Mark Littman, a BSC deputy chairman, and with Mr. J. M. Edwards, director of overseas interests in BSC's commercial division, as managing director; legal services, director Mr. D. S. Laughton; corporate strategy, with Mr. J. Driscoll, former director of corporate strategy, as managing director; corporate finance; and an international staff unit, with a director yet to be appointed.

The Board line-up is now: Lord Melchett, chairman; Dr. Finniston, deputy chairman and chief executive; Mr. W. F. Cartwright, deputy chairman, mainly concerned with future activities; Mr. Mark Littman, deputy chairman, mainly concerned with Government and international aspects of the corporation's affairs; Lord Layton, member mainly concerned with U.K. and international commercial policy; and Mr. Ron Smith, member mainly concerned with personnel, social and regional policy.

The BSC has yet to fill a vacancy on the Board for a member to be concerned mainly with financial policy.

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Weather

U.K. TO-DAY

Pressure will remain high over France and Southern England rather weak troughs will m... over Scotland and North... Ireland. Northern Scotland ... have showers and sunny inter... Southern Scotland, Northern ... land and Northern England ... have a good deal of cloud ... some rain in places but ... bright intervals. Wales, Cen... and Southern parts of Eng... will be mostly dry with su... periods. It will become ra... colder in the North but South... districts will be warm.

London, E. Anglia, S.E., E. ..., Cent. S. England, E. and W. Midlands

Dry with long sunny peri... Wind S. veering S.W. light... moderate. Max. 20C (68F).

Channel Isles, S.W. England, S. Wales

Dry with sunny periods. W... S. light or moderate. Max. ... (68F).

N. Wales, N.W., Cent. N. and ... England

Sunny intervals but becom... rather cloudy with occasional ... in places. Wind S.W. moder... Max. 19C (66F).

Lakes, Isle of Man, S.W. Scotl..., Glasgow, Argyll, N. Ireland

Rather cloudy with some ... at times. A few bright inter... Wind S.W. moderate. Max. ... (63F).

Borders, E. Scotland, Edinbu..., Cent. Highlands

Rather cloudy with occasi... rain in places but some su... intervals. Wind S.W. veering ... moderate. Max. 15C (59F).

Dundee, Caithness, N.W. Scotl..., Orkneys

Sunny intervals and occasi... showers. Wind S.W. veering ... moderate or fresh. Max. ... (55F).

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	S	14	57	Manchstr.	S	[illegible]	[illegible]
Bahrain	S	35	95	Mexico C.	[illegible]	[illegible]	[illegible]
Beirut	S	28	82	Melbourne	C	[illegible]	[illegible]
Belfast	C	17	63	Milan	[illegible]	[illegible]	[illegible]
Belgrade	F	11	52	Montreal	C	[illegible]	[illegible]
Berlin	F	12	54	Moscow	[illegible]	[illegible]	[illegible]
Burmnghm.	S	15	59	Munich	[illegible]	[illegible]	[illegible]
Bristol	S	16	61	Newcastle	S	[illegible]	[illegible]
Brussels	S	14	57	New York	S	[illegible]	[illegible]
Budapest	C	11	52	Oslo	C	[illegible]	[illegible]
B. Aires	C	13	55	Paris	[illegible]	[illegible]	[illegible]
Cairo	S	38	87	Prague	[illegible]	[illegible]	[illegible]
Cardiff	S	15	59	Reykjavik	C	[illegible]	[illegible]
Cologne	S	13	55	Rio de J'o.	C	[illegible]	[illegible]
Copnhagn.	F	13	55	Rome	S	[illegible]	[illegible]
Dublin	F	18	64	Singapore	C	[illegible]	[illegible]
Edinb'rgh.	C	15	59	Stockholm	C	[illegible]	[illegible]
Frankfurt	S	13	55	Strasbourg	S	[illegible]	[illegible]
Geneva	F	11	52	Sydney	C	[illegible]	[illegible]
Glasgow	C	15	59	Tehran	S	[illegible]	[illegible]
Helsinki	C	10	50	Tel Aviv	S	[illegible]	[illegible]
H. Kong	C	26	79	Tokyo	C	[illegible]	[illegible]
Jo'burg.	R	19	66	Toronto	C	[illegible]	[illegible]
Lisbon	S	25	77	Vienna	F	[illegible]	[illegible]
London	S	17	63	Warsaw	C	[illegible]	[illegible]
Luxembrg.	S	13	55	Zurich	S	[illegible]	[illegible]
Madrid	S	22	72				

FOREIGN RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	23	73	Istanbul	C	[illegible]	[illegible]
Alxndria.	S	35	95	Jersey	S	[illegible]	[illegible]
Algiers	C	23	73	Las Plms.	S	[illegible]	[illegible]
Athens	F	13	55	Locarno	C	[illegible]	[illegible]
Barcelona	F	22	72	Luxor	S	[illegible]	[illegible]
Biarritz	S	20	68	Majorca	T	[illegible]	[illegible]
Blackpool	S	16	61	Malaga	F	[illegible]	[illegible]
Bordeaux	S	18	64	Malta	C	[illegible]	[illegible]
Boulogne	S	15	59	Nairobi	S	[illegible]	[illegible]
Casablnca.	S	24	75	Naples	F	[illegible]	[illegible]
Cape Tn.	S	18	64	Nassau	S	[illegible]	[illegible]
Corfu	S	18	64	Nice	C	[illegible]	[illegible]
Dubrovnik	S	15	59	Nicosia	C	[illegible]	[illegible]
Faro	S	23	73	Oporto	S	[illegible]	[illegible]
Florence	F	17	63	Rhodes	R	[illegible]	[illegible]
Funchal	S	24	75	Salzburg	S	[illegible]	[illegible]
Gibraltar	F	23	73	St. Moritz	S	[illegible]	[illegible]
Guernsey	S	16	61	Tangier	S	[illegible]	[illegible]
Innsbruck	S	12	54	Tenerife	S	[illegible]	[illegible]
Inverness	F	18	64	Valencia	T	[illegible]	[illegible]
I. of Man	S	15	59	Venice	S	[illegible]	[illegible]

S—Sunny. F—Fair. C—Cloudy. R—R... T—Thundery.

[صلتنا منه الاصل]